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Attorneys for Plaintiff and the Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO

RENE VELASQUEZ, as an individual and on
behalf of all others similarly situated, and as a
private attorney general,

Plaintiff,

vs.

AIR TRANSPORT INTERNATIONAL, INC., a
Delaware corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 34-2021-00307289

[Assigned for all purposes to Department 25,
Hon. Jill H. Talley]

**DECLARATION OF SIMON L. YANG IN
SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

*[Filed concurrently with Notice of Motion and
Motion for Preliminary Approval of Class Action
Settlement; Declaration of Larry W. Lee;
Declaration of William L. Marder; Declaration of
Rene Velasquez; [Proposed] Order]*

Date: June 3, 2022
Time: 9:00 a.m.
Department: 25

Reservation No.: 2638229

Complaint Filed: September 1, 2021

1 I, Simon L. Yang, declare as follows:

2 1. I am an attorney admitted to practice in the State of California and, with the law firm
3 Diversity Law Group, P.C., am counsel of record for Plaintiff. I make this declaration on the basis of my
4 own personal knowledge, except as to those matters stated on information and belief and, as to those
5 matters, I believe them to be true. If called as a witness, I could testify competently as to the facts stated
6 in this declaration.

7 2. On or about July 29, 2021, Plaintiff, Rene Velasquez, notified Defendant, Air Transport
8 International, Inc., and the Labor and Workforce Development Agency (“LWDA”) that Defendant fails
9 to furnish employees with wage statements that accurately show Defendant’s name or show its address
10 at all. On that basis, on September 1, 2021, Plaintiff initiated this class action alleging violations of
11 Labor Code section 226(a).¹ Also on that basis, on October 1, 2021, Plaintiff initiated Case Number 34-
12 2021-00309115-CU-OE-GDS (the “PAGA Action”) to allege the same Labor Code violations as a
13 proxy for the State of California pursuant to the Labor Code Private Attorneys General Act of 2004
14 (“PAGA”).

15 3. Defendant promptly contacted Plaintiff to investigate Plaintiff’s allegations and to
16 provide Plaintiff with information regarding the alleged violations. The Parties engaged in a thorough
17 study of the legal principles and facts applicable to the claims Plaintiff alleged and defenses Defendant
18 might assert. Defendant contested the merits and denied it was liable for any penalties. Moreover, even
19 if Defendant violated Section 226(a), Defendant contested the extent of liability. For example,
20 Defendant contended that PAGA penalties would be subject to discretionary reductions and that liability
21 under Section 226(e) would be subject to additional defenses requiring proof of injuries resulting from
22 knowing and intentional violations.

23 4. Defendant also provided information related to the time period that Plaintiff’s allegations
24 applied, the number of employees issued wage statements during the period, and the number of wage
25 statements they were issued, among other items. Defendant’s willingness to engage in informal
26 discovery enabled Plaintiff to evaluate the full scope of Defendant’s potential liability, and the Parties
27

28 ¹ Except as otherwise noted, all “Section” references are to the Labor Code.

1 commenced settlement discussions. While the Parties disagree on the application of the law to the facts,
2 each Party recognized in negotiations that, if taken to trial, the other Party would at least have
3 reasonable arguments, such that the Gross Settlement Amount to which the Parties ultimately agreed
4 was reasonable.

5 5. Ultimately, the Parties were able to negotiate the settlement terms in the Joint Stipulation
6 of Class Action and PAGA Settlement (the “Agreement”), a true and correct copy of which is attached
7 as **Exhibit 1**. The Gross Settlement Amount secures \$119.85 per wage statement—an excellent result
8 that obtains 35% of the potential class recovery of \$724,950.² It is expected that, on average, each Class
9 Member would be allocated \$1,031.55 (*after* all requested payments from the Gross Settlement
10 Amount). The amount paid on average to each Class Member may increase, depending on how many
11 Class Members opt out of the class action settlement. The amount actually paid to any Class Member
12 may increase or decrease depending on his or her number of relevant wage statements during the Class
13 Period.

14 6. Although I am confident that litigation of the claims would result in a classwide judgment
15 against Defendant, I recognize the inherent risks in litigation, including the specific risks that class
16 certification could be denied, liability could not be established at trial, or the applicable law could
17 change. I recognize that the settlement resulting from extensive arm’s length negotiations between the
18 Parties is fair, reasonable, and adequate for each participating Class Member, given the inherent risks of
19 litigation, as well as the potential for appeals and the costs of pursuing litigation.

20 7. Pursuant to the settlement’s terms, on February 7, 2021, Plaintiff filed a First Amended
21 Complaint in this matter to also allege the claims alleged in the PAGA Action. On or about March 11,
22 2022, the PAGA Action was dismissed by the Court. Along with the filing of the motion for preliminary
23 approval of the settlement in this matter, my regular practice would be to direct my office staff to
24 similarly upload a copy of the motion papers to the LWDA in compliance with Section 2699(l)(2) and
25 (4). Similarly, upon approval of a settlement in this matter, my regular practice would be to direct my
26

27 ² The potential class recovery includes \$50 under Section 226(e) for each of 103 initial violations for
28 Class Members, \$100 under Section 226(e) for each of 1,983 additional violations for Class Members,
and \$250 under Section 226.3 for each of 2,086 violations.

1 office staff to similarly upload a copy of the Court’s judgment, papers, or other orders awarding civil
2 penalties under PAGA.

3 8. I am one of the primary attorneys on this matter. My qualifications are as follows: After
4 completing my undergraduate education at The Wharton School at the University of Pennsylvania in
5 2004 with concentrations in Management and Human Resources, I continued studying labor and
6 employment issues by enrolling in post-graduate education at the School of Labor and Employment
7 Relations at the University of Illinois. I determined before enrolling in law school that I wanted to
8 practice labor and employment law in California. I thus received my J.D. from UCLA School of Law in
9 2008. During law school, I spent the summer of 2006 with the National Labor Relations Board, Region
10 21, and the summer of 2007 with the law firm of Seyfarth Shaw LLP in 2007.

11 9. Upon graduating from law school in 2008, I practiced labor and employment law at
12 Seyfarth Shaw LLP, a well-regarded labor and employment firm. I was elevated to partner in 2019. My
13 practice focused on wage and hour class, collective, and representative actions, with a particular
14 emphasis on matters involving the Labor Code Private Attorneys General Act of 2004 (“PAGA”).
15 During my time with Seyfarth Shaw LLP, I was a primary attorney on numerous wage and hour class,
16 collective, and representative actions that resulted in published opinions, including for example, *Ehret v.*
17 *WinCo Foods, LLC*, 26 Cal. App. 6th 1 (2018) (affirming summary judgment in PAGA action based on
18 absence of meal period violations in light of collectively bargained waiver of meal periods on shifts of
19 not more than six hours), and *Ruelas v. Costco Wholesale Corporation*, 67 F. Supp. 3d 1137 (C.D. Cal.
20 Sept. 8, 2014) (obtaining dismissal of wage statement allegations in PAGA representative action). I was
21 also able to obtain experience litigating representative claims or wage and hour matters through trial and
22 appeal. *E.g.*, *Velazquez v. Costco Wholesale Corporation*, 603 Fed. App’x 584 (9th Cir. Mar. 25, 2015)
23 (reversing award of waiting-time penalties based on lack of evidence supporting any willful failure to
24 pay wages); *Ward v. Costco Wholesale Corporation*, 552 Fed. App’x 631 (9th Cir. Jan. 9, 2014)
25 (affirming bench-trial judgment in favor of defendant against named plaintiff and 18 opt-in plaintiffs in
26 collective action with involving deductions from final paychecks). I also litigated class certification on
27 numerous matters. *E.g.*, *Martinez v. Guess?, Inc.*, Los Angeles Superior Court Case No. BC 498326
28 (denial of class certification on behalf of retail employees alleging off-the-clock work).

10. Based on my experience in wage and hour class, collective, and representative actions, I have been interviewed and quoted in articles published in the Northern California Record about legislative efforts to reform PAGA. I also have published articles on myriad topics relevant to wage and hour class and representative action litigation, including for example articles on California kin care requirements in *Employee Relations Law Journal* (Vol. 36, No. 2), the extraterritorial application of California employment laws in *The Recorder* (134RD Year No. 28), and California meal and rest break laws in *California Transportation News*, a publication of the California Construction Trucking Association.

11. In 2020 I left Seyfarth Shaw LLP and joined my current firm, Diversity Law Group, P.C., which also focuses primarily on employment law. I have handled a number of wage and hour class and representative actions and continue litigating such matters in numerous Superior Courts and District Courts. From matters with both Seyfarth Shaw LLP and Diversity Law Group, P.C., I have successfully mediated the resolution of dozens of wage and hour class, collective, and representative actions. I have obtained class certification and been appointed class counsel. No court has ever found me to be inadequate class counsel.

12. My co-counsel and I will adequately represent the Class Members in this action.

Plaintiff's Counsel have and will zealously represent Plaintiff and the Class and pursue this lawsuit to its conclusion.

13. I understand that the attorneys' fees awarded in this action will be split 65% to Diversity Law Group, P.C. and 35% to Polaris Law Group.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 14th day of April 2022, at Pasadena, California.

Simon L. Yang

EXHIBIT 1

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Attorneys for Defendant

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

RENE VELASQUEZ, as an individual and on
behalf of all others similarly situated, and as a
private attorney general,

Plaintiff,

vs.

AIR TRANSPORT INTERNATIONAL, INC., a
Delaware corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 34-2021-00307289

[Assigned for all purposes to Department 40,
Hon. Richard K. Sueyoshi]

**JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT**

Complaint Filed: September 1, 2021

Trial Date: None Set

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff, Rene Velasquez, on the one hand, and Defendant, Air Transport International, Inc., on the other hand.

1. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1. Action. "Action" means the civil lawsuit originally entitled *Rene Velasquez v. Air Transport International, Inc.*, filed on or about September 1, 2021, in the Superior Court of the State of California for the County of Sacramento designated as Case No. 34-2021-00307289, and as amended to include allegations filed in the civil lawsuit filed on or about October 1, 2021, in the Superior Court of the State of California for the County of Sacramento designated as Case No. 34-2021-00309115.

1.2. Administrator. "Administrator" means the third-party settlement administrator approved by the Court to administer the settlement.

1.3. Agreement. "Agreement" means this Joint Stipulation of Class Action and PAGA Settlement.

1.4. Class Counsel. "Class Counsel" means Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C. and William L. Marder of Polaris Law Group.

1.5. Class Member. "Class Member" and "Aggrieved Employee" mean any current or former employee of Defendant in the State of California who was issued a wage statement by Defendant at any time during the Class Period. Defendant represents that there are approximately 103 Class Members.

1.6. Class Notice. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

1.7. Class Period. "Class Period" and "PAGA Period" mean July 29, 2020, through August 3, 2021.

1.8. Court. "Court" means the Superior Court of California for the County of Sacramento.

1.9. Defendant. "Defendant" means Air Transport International, Inc.

1.10. Defendant's Counsel. "Defendant's Counsel" means David L. Cheng of Ford & Harrison LLP.

1 **1.11. Effective Date.** “Effective Date” means: the date, following entry by the Court of the
2 Final Approval Order, upon which one of the following have occurred: (i) if no objection is filed to the
3 Agreement and no objector appears at the hearing(s) on the Final Approval Order or Final Judgment, the
4 date(s) of the Court’s entries of the Final Approval Order and Final Judgment, (ii) if an objection is filed
5 to the Agreement, or an objector appears at the hearing(s) on the Final Approval Order or Final
6 Judgment, then the later of the following: (a) the expiration of all potential appeal periods without a
7 filing of a notice of appeal of the Final Approval Order or Final Judgment; (b) final affirmance of the
8 Final Approval Order and Final Judgment by an appellate court as a result of any appeal(s), or (c) final
9 dismissal or denial of all such appeals (including any petition for review, rehearing, certiorari, etc.) such
10 that the Final Approval Order and Final Judgment are no longer subject to further judicial review.

11 **1.12. Final Approval Order.** “Final Approval Order” means an order granting final approval
12 of a settlement pursuant to this Agreement.

13 **1.13. Final Judgment.** “Final Judgment” means the Court’s entry of judgment pursuant to this
14 Agreement.

15 **1.14. Gross Settlement Amount.** “Gross Settlement Amount” means the maximum potential
16 settlement amount—inclusive of any Administration Costs, Attorneys’ Fees and Costs Award, Class
17 Representative Award, LWDA Payment, and Individual Settlement Payments—that Defendant may be
18 required to pay in connection with a Final Approval Order.

19 **1.14.1. Administration Costs.** “Administration Costs” means a Court approved payment
20 from the Gross Settlement Amount to the Administrator for administering the settlement, which includes
21 but is not limited to printing, distributing, or tracking Class Notices, processing any required tax
22 payments or reporting, providing any required tax forms, distributing payments pursuant to a Final
23 Approval Order, and providing necessary reports or declarations, as requested by the Court or Class
24 Counsel and Defendant’s Counsel.

25 **1.14.2. Attorneys’ Fees and Costs Award.** “Attorneys’ Fees and Costs Award” means a
26 Court approved payment from the Gross Settlement Amount for Class Counsel’s attorneys’ fees and
27 costs associated with the litigation and resolution of the Action (excluding third-party Administration
28 Costs separately addressed above).

1 **1.14.3. Class Representative Award.** "Class Representative Award" means a Court
2 approved payment from the Gross Settlement Amount to Plaintiff in recognition of his efforts and work
3 in prosecuting the Action on behalf of Class Members and in consideration of Plaintiff's additional
4 general release of claims inapplicable to Settlement Class Members.

5 **1.15. Individual Settlement Payment.** "Individual Settlement Payment" means a Class
6 Member's potential payment from the Net Settlement Amount, which may include an Individual Class
7 Payment and Individual PAGA Payment.

8 **1.15.1. Individual Class Payment.** "Individual Class Payment" means a Settlement
9 Class Member's potential payment from settlement of class action claims.

10 **1.15.2. Individual PAGA Payment.** "Individual PAGA Payment" means an Aggrieved
11 Employee's potential payment from settlement of PAGA claims.

12 **1.16. LWDA Payment.** "LWDA Payment" means a Court approved payment to the Labor &
13 Workforce Development Agency ("LWDA") of 75% of the PAGA Penalty Fund.

14 **1.17. Net Settlement Amount.** "Net Settlement Amount" means the remainder of the Gross
15 Settlement Amount after Court approved deductions for the LWDA Payment, Attorneys' Fees and Costs
16 Award, Class Representative Award, and Administration Costs.

17 **1.18. PAGA Penalty Fund.** "PAGA Penalty Fund" means the portion of the settlement
18 allocated to PAGA penalties.

19 **1.19. Parties.** "Parties" means Plaintiff and Defendant.

20 **1.20. Plaintiff.** "Plaintiff" means Rene Velasquez.

21 **1.21. Preliminary Approval Order.** "Preliminary Approval Order" means an order granting
22 preliminary approval of a settlement pursuant to this Agreement.

23 **1.22. Released Party.** "Released Party" means Defendant and its agents, attorneys, insurers,
24 past, present and future divisions, members, affiliates, predecessors, successors, shareholders, officers,
25 directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees,
26 executors, partners, parents, subsidiaries, privies, and/or any and all persons and/or corporate entities
27 acting by, through, under, or in concert with any of them.
28

1 **1.23. Settlement Class Members.** “Settlement Class Members” means Class Members who do
2 not exclude themselves from the class action settlement by complying with the procedures set forth in
3 the Class Notice to opt out of the class action settlement.

4 **2. RECITALS**

5 **2.1. Initiation of Action.** On or about July 29, 2021, Plaintiff sent notice to the LWDA and
6 Defendant regarding violations of the Labor Code resulting from Defendant’s alleged failure to furnish
7 employees with wage statements that accurately showed the address of the legal entity that was the
8 employer. On or about September 1, 2021, Plaintiff filed the original complaint pursuing class action
9 claims on behalf of a putative class of current and former employees of Defendants in the State of
10 California who were paid wages. On or about October 1, 2021, Plaintiff filed an original complaint in
11 Case No. 34-2021-00309115 to pursue representative action claims under the Labor Code Private
12 Attorneys General Act of 2004 (“PAGA”) for the same Labor Code violations.

13 **2.2. Class Counsel’s Investigation.** On November 3, 2021, and numerous dates thereafter,
14 Plaintiff and Defendant met and conferred about the alleged claims. Plaintiff provided Defendant with
15 an example of the wage statements Plaintiff received, and Defendant provided Plaintiff with information
16 about various defenses, the extent of alleged violations, and changes in wage statement practices. Based
17 on informal discussions and exchange of information, the Parties were able to agree to settlement terms,
18 which were negotiated in light of all known facts and circumstances—including the uncertainty inherent
19 in litigation, the risks of significant delay, and numerous potential appellate issues—and which was
20 reached after arm’s-length negotiations by counsel experienced in litigating the alleged claims.

21 **2.3. No Admission of Liability.** Defendant denied and continues to deny all of the allegations
22 made by Plaintiff in the Action. Although Defendant denied and continues to deny all of the allegations
23 made by Plaintiff in the Action, Defendant—without admitting or conceding any liability or wrongdoing
24 whatsoever—has agreed to settle the Action on the terms and conditions set forth in this Agreement for
25 the sole purpose of avoiding the burden, expense, and uncertainty of continuing the Action.

26 **2.4. Class Counsel’s Evaluation.** Based on Class Counsel’s ongoing investigation and
27 evaluation, Class Counsel is of the opinion that the terms set forth in this Agreement are fair, reasonable,
28 adequate, and in the best interests of Class Members.

1 **2.5. Certification of Settlement Class.** This Agreement is contingent upon the approval and
2 certification by the Court of a class for purposes of settlement. The Parties agree to cooperate and take
3 all steps necessary and appropriate to effectuate all aspects of this Agreement and to obtain a
4 Preliminary Approval Order and then Final Approval Order.

5 **2.6. Amendment of Class Action (Case No. 34-2021-00307289) and Dismissal of PAGA**
6 **Action (Case No. 34-2021-00309115).** The Parties agree to the filing of an amended complaint in the
7 Class Action, Case No. 34-2021-00307289, which adds all claims asserted in the PAGA Action, Case
8 No. 34-2021-00309115. A copy of the amended complaint is attached hereto as Exhibit B. Upon the
9 filing of the amended complaint, Plaintiff shall dismiss the PAGA Action without prejudice.

10 **3. NOTICE TO CLASS MEMBERS**

11 **3.1. Administrator.** Plaintiff and Class Counsel shall request that the Court appoint Phoenix
12 Settlement Administrators as the Administrator for purposes of sending notice of the settlement to Class
13 Members. The Parties agree that Administration Costs should not exceed \$5,000.

14 **3.2. Class Data for Administrator.** Within seven calendar days of the Preliminary Approval
15 Order, Defendant shall provide to the Administrator—subject to a protective order entered by the Court
16 governing the disclosure of confidential documents and information, similar language in the Preliminary
17 Approval Order governing the Administrator’s use of documents and information, or a confidentiality
18 agreement between the Administrator and Defendant—each Class Member’s last known home
19 addresses, Social Security numbers or, as applicable, other taxpayer identification number, and number
20 of wage statements issued to each of them during the Class Period and PAGA Period.

21 **3.3. Class Notice of Settlement.** The Administrator shall send Class Notice to Class
22 Members to provide notice of settlement within 14 calendar days of the Preliminary Approval Order,
23 pursuant to the procedures below. This shall be the sole means of notice to Class Members.

24 **3.4. Mailing of Notice.** The Administrator shall send Class Notice to each Class Member via
25 First Class U.S. Mail, using the last known mailing address for each Class Member, based on class data
26 provided by Defendant. Any Class Notice returned to the Administrator as undeliverable shall be sent
27 promptly via First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is
28

provided, the Administrator shall promptly attempt to determine the correct address using a single skip-trace search and shall then promptly send a single re-mailing.

3.5. Proof of Mailing. The Administrator shall provide Class Counsel and Defendant's Counsel a declaration of due diligence and proof of mailing with regard to mailing of Class Notice.

4. CLASS MEMBERS' RESPONSE OPTIONS

4.1. Consideration Period. Class Members shall be provided 45 calendar days after the postmark date of the initial mailing of Class Notice to exercise any rights to opt out of the settlement. Except as provided herein, no Class Member responses that are postmarked more than 45 calendar days after the initial mailing of Class Notice shall be considered. The Parties shall do nothing to encourage or solicit Class Members to opt out of or object to the settlement.

4.2. Objection Right and Effect. Settlement Class Members shall be given the opportunity to object to the terms of the settlement. Settlement Class Members may object to the settlement by mailing to the Administrator an objection within 45 calendar days after the postmark date of the initial mailing of Class Notice, which describes the objection and states any intention to appear at the final approval hearing. Alternatively, Settlement Class Members may appear at the final approval hearing to object to the settlement. Absent good cause as determined by the Court, any Settlement Class Member who does not comply with the objection procedures in the Class Notice shall be deemed to have waived any objections and shall be foreclosed from making any objection, whether by appeal or otherwise, to the settlement. Settlement Class Members who object to the settlement pursuant to the terms of the Class Notice shall remain subject to being bound by the release provisions in this Agreement pursuant to a Final Approval Order and Final Judgment and shall remain eligible to receive an Individual Class Payment.

4.3. Opt-Out Right and Effect. Class Members shall be given the opportunity to opt out of the settlement. Class Members may opt out of the settlement by mailing to the Administrator a Request for Exclusion, which expresses their desire to be excluded from the Settlement Class. Any Request for Exclusion that does not comply with the procedures in the Class Notice shall be deemed void and ineffective. Class Members who opt out of the settlement pursuant to the terms of the Class Notice shall not receive any Individual Class Payments, shall not be bound by the class action release provisions in

1 this Agreement pursuant to a Final Approval Order, and shall not be permitted to object to the settlement
2 or appeal. If a Class Member submits both a Request for Exclusion and an objection, the Administrator
3 shall attempt to determine whether the Class Member would like to withdraw either the Request for
4 Exclusion or the objection. If the Class Member does not withdraw a Request for Exclusion, or if the
5 Administrator cannot contact the Class Member who submits both a Request for Exclusion and an
6 objection, the Request for Exclusion shall be deemed valid and shall be deemed to invalidate the
7 objection. Notwithstanding the above, Aggrieved Employees will receive their Individual PAGA
8 Payment regardless of whether they request to be excluded from the settlement.

9 **4.4. Objection Response.** The Administrator must provide a copy of any objection received
10 to Class Counsel and Defendant's Counsel upon receipt. Either of the Parties may file a response to any
11 written objection no later than five court days before the final approval hearing.

12 **4.5. Proof of Class Members' Responses.** As soon as practicable after the end of the
13 consideration period, the Administrator shall provide a declaration attesting to (by number of relevant
14 individuals), its mailing of Class Notice, its inability to deliver Class Notice due to invalid addresses,
15 and its receipt of valid Requests for Exclusion or objections. The Administrator shall prepare any
16 supplemental declarations regarding the administration of the settlement, as necessary or as jointly
17 requested by the Parties or the Court.

18 **5. SETTLEMENT PROCEEDS**

19 **5.1. Gross Settlement Amount.** Defendant agrees to pay a non-reversionary Gross
20 Settlement Amount of \$250,000. The Gross Settlement Amount was negotiated based on approximately
21 2,086 wage statements issued to Class Members from July 29, 2020, through August 3, 2021. To the
22 extent that the actual number of relevant wage statements exceeds 2,086 by more than 5%, the Gross
23 Settlement Amount shall increase on a pro rata basis equal to the percentage increase exceeding 5%
24 (e.g., if the actual number of relevant wage statements were 15% greater than 2,086, then the Gross
25 Settlement Amount would be increased by 10%).

26 **5.1.1. Attorneys' Fees and Costs.** Class Counsel intends to request—and Defendant
27 agrees not to oppose—that the Court approve an Attorneys' Fees and Costs Award in the amount of (a)
28

1 33⅓% of the Gross Settlement Amount (or \$83,333.33) and (b) litigation costs. Except as stated in this
2 Agreement, the Parties are to be responsible for their own attorneys' fees and costs.

3 **5.1.2. Class Representative Award.** Class Counsel intends to request—and Defendant
4 agrees not to oppose—that the Court approve a Class Representative Award of \$10,000. Any Class
5 Representative Award would be supplemental to Plaintiff's Individual Settlement Payment.

6 **5.1.3. Administration Costs.** Class Counsel intends to request—and Defendant agrees
7 not to oppose—that the Court approve Administration Costs of up to and not to exceed \$5,000. The
8 Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to
9 control and minimize Administration Costs.

10 **5.1.4. Differences in Requested and Approved Payments.** If the Court does not
11 approve the requested amounts for the Attorneys' Fees and Costs Award, Class Representative Award,
12 or Administration Costs, as well as the PAGA Penalty Fund discussed below, any differences in the
13 requested and approved amount shall either be allocated to the Net Settlement Amount or from the
14 Gross Settlement Amount.

15 **5.2. Net Settlement Amount.** After deducting the approved Attorneys' Fees and Costs
16 Award, Class Representative Award, and Administration Costs from the Gross Settlement Amount, 75%
17 of the Net Settlement Amount shall be classified as Labor Code section 226(e) penalties, and 25% of the
18 Net Settlement Amount shall be classified as PAGA penalties for the PAGA Penalty Fund. Allocations
19 for amounts payable to Settlement Class Members and Aggrieved Employees will be based on the
20 number of relevant wage statements they received as reflected in Defendant's records.

21 **5.2.1. PAGA Penalty Fund and LWDA Payment.** The PAGA Penalty Fund shall be
22 distributed pursuant to statute with 75% of the PAGA Penalty Fund payable as an LWDA Payment. The
23 remaining 25% of the PAGA Penalty Fund is to remain allocated to the Net Settlement Amount.

24 **5.2.2. Individual Settlement Payments.** Individual Settlement Payments shall be
25 distributed to Aggrieved Employees and Settlement Class Members, without the need to submit a claim
26 form, based on the number of relevant wage statements as reflected in Defendant's records. The 25%
27 portion of the PAGA Penalty Fund shall be distributed to Aggrieved Employees as Individual PAGA
28 Payments and proportionally allocated among Aggrieved Employees based on the number of relevant

1 wage statements during the PAGA Period for each Aggrieved Employee. The remainder of the Net
2 Settlement Amount shall be distributed to Settlement Class Members as Individual Class Payments and
3 proportionally allocated among Settlement Class Members based on the number of relevant wage
4 statements during the Class Period for each Settlement Class Member.

5 **5.3. Funding and Distribution.** By seven calendar days after the Effective Date, Defendant
6 shall deposit the Gross Settlement Amount with the Administrator. By seven calendar days after the
7 Administrator receives the Gross Settlement Amount, the Administrator shall distribute all amounts to
8 be paid pursuant to the Final Approval Order and Final Judgment. Upon completion of administration of
9 the settlement, the Administrator shall provide written certification of such completion to Class Counsel
10 and Defendant's Counsel.

11 **5.4. Undeliverable or Uncashed Checks.** All uncashed or undeliverable settlement checks
12 will expire six months after the postmarked date of their initial mailing. After six months, the sum value
13 of all expired checks will be tallied by the Administrator. The Administrator shall direct the principal for
14 any expired checks in accordance with the Final Approval Order. The Parties shall request that the Court
15 order that the principal for any expired checks escheat to the State of California's Unclaimed Property
16 Fund in the name of the Class Member.

17 **5.5. No Tax Advice or Liability.** All payments from the Net Settlement Amount shall be
18 classified for tax reporting purposes as penalties. The Administrator shall issue an IRS Form 1099 to
19 Plaintiff for any Class Representative Award, to Class Counsel for any Attorneys' Fees and Costs
20 Award, to the LWDA for any LWDA Payment, and to the Administrator for any Administration Costs.
21 The Parties have had an opportunity to consult with independent tax counsel. The Parties are not giving
22 any tax advice in connection with the settlement or any payments to be made pursuant to the Agreement.
23 The Parties do not intend anything contained in this Agreement to constitute legal advice regarding the
24 taxability of any amount paid hereunder, nor shall anything in this Agreement be relied upon as such. By
25 participating in the settlement, each Class Member shall agree to be solely and legally responsible for
26 paying any applicable taxes on their respective Individual Settlement Payments and shall indemnify and
27 hold harmless the Parties from any claim or liability for taxes, penalties, or interest arising as a result of
28 the payments.

1 **6. RELEASES**

2 **6.1. Releases by Settlement Class Members.** By operation of the entry of the Final Approval
3 Order, and except as to such rights or claims as may be created by this Agreement, all Settlement Class
4 Members fully release Defendant and each Released Party from any and all claims for violations of
5 Labor Code section 226(a) during the Class Period that were alleged in the Action or that reasonably
6 could have been alleged based on the facts alleged in the Action.

7 **6.2. Releases by Aggrieved Employees.** By operation of the entry of the Final Approval
8 Order, and except as to such rights or claims as may be created by this Agreement, all Aggrieved
9 Employees, the State of California, and the California Labor & Workforce Development Agency fully
10 release Defendant and each Released Party from any and all claims for civil penalties for violations of
11 Labor Code section 226(a) during the PAGA Period that were alleged in the Action or that reasonably
12 could have been alleged based on the facts alleged in the Action.

13 **6.3. Additional Release by Plaintiff.** In addition to the above releases applicable to Plaintiff
14 as a Settlement Class Member and Aggrieved Employee, Plaintiff also generally releases all claims,
15 known or unknown, in favor of Defendant and each Released Party, including a waiver of Civil Code
16 section 1542. Plaintiff expressly waives all rights provided by Civil Code section 1542 that Plaintiff may
17 have against each Released Party. Civil Code section 1542 states:

18 A general release does not extend to claims that the creditor or releasing party does not
19 know or suspect to exist in his or her favor at the time of executing the release and that, if
20 known by him or her, would have materially affected his or her settlement with the debtor
 or released party.

21 Plaintiff acknowledges that he has read the entirety of the Agreement, including the above language
22 from the Civil Code, and that he fully understands both the Agreement and Civil Code section 1542. By
23 executing this Agreement, Plaintiff expressly waives any benefits and rights granted pursuant to Civil
24 Code section 1542.

25 **7. COURT APPROVAL**

26 **7.1. Preliminary Approval.** Plaintiff shall submit a motion seeking a Preliminary Approval
27 Order, which would, among other things: (i) preliminarily approve the proposed settlement according to
28 the terms of this Agreement; (ii) set a date for a final approval hearing; and (iii) provide for Class Notice

1 to be sent to Class Members as specified herein. The motion seeking preliminary approval shall also
2 include a declaration from Class Counsel that it has provided notice to the California Labor &
3 Workforce Development Agency as required under Cal. Lab. Code section 2699(l)(2).

4 **7.2. Final Approval and Final Judgment.** Not later than 16 court days before the date set by
5 the Court for a final approval hearing, or such other time as the Court requires, Plaintiff shall submit a
6 motion seeking a Final Approval Order and Final Judgment, which would, among other things: (i)
7 approve the settlement, (ii) deem the terms to be fair, reasonable, and adequate, (iii) approve the
8 releases, (iv) direct that the settlement's terms and provisions be carried out; (v) enter Final Judgment;
9 and (vi) retain jurisdiction to oversee administration and enforcement of the terms of this Agreement and
10 the Court's orders. Following the Court's entry of a Final Approval Order, and Final Judgment thereon,
11 Class Counsel shall provide notice to the California Labor & Workforce Development Agency in
12 accordance with Cal. Lab. Code section 2699(l)(3).

13 **7.3. Effect of Failure to Obtain Final Approval and Final Judgment.** In the event the
14 Court effects a material change or fails to enter a Final Approval Order or Final Judgment in accordance
15 with this Agreement, or such Final Approval Order or Final Judgment is vacated, then this entire
16 Agreement shall be void and unenforceable, the Action shall proceed as if no settlement has been
17 attempted, and the costs of administration shall be split equally between the Parties, subject to the
18 Parties' agreement to the contrary. In such event, except as otherwise stated in this Agreement, this
19 Agreement and any documents in furtherance of this Agreement shall be inadmissible in any future
20 proceedings in this Action or any other action.

21 **8. MISCELLANEOUS**

22 **8.1. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties
23 with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and
24 understandings between the Parties shall be deemed merged into this Agreement. The signatories
25 represent that they are fully authorized to enter into this Agreement and are fully authorized to bind the
26 Parties to all terms stated herein.

27 **8.1.1. Counterparts and Signatures.** This Agreement may be executed in counterparts,
28 and when all signatories have signed and delivered at least one such counterpart, each counterpart shall

1 be deemed an original, and when taken together with other signed counterparts, shall constitute one
2 signed Agreement, which shall be binding upon and effective as to all Parties. Any party may sign and
3 deliver this Agreement by signing on the designated signature block and transmitting that signature page
4 via e-mail to counsel for the other party. Any signature transmitted via e-mail shall be deemed an
5 original signature and shall be binding upon the party who transmits the signature page.

6 **8.1.2. Waivers, Modifications, Etc. to Be in Writing.** No waiver, modification, or
7 amendment of the terms of this Agreement, whether purportedly made before or after the Court's
8 approval of this Agreement, shall be valid or binding unless in writing, signed by or on behalf of all
9 Parties or their Counsel and then only to the extent set forth in such written waiver, modification, or
10 amendment, subject to any required Court approval. Any failure by any Party to insist upon the strict
11 performance by the other Party of any of the provisions of this Agreement shall not be deemed a waiver
12 of future performance of the same provisions or of any of the other provisions of this Agreement, and
13 such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific
14 performance of any and all of the provisions of this Agreement.

15 **8.1.3. Construction.** The determination of the terms and conditions of this Agreement
16 has been by mutual agreement of the Parties. Each party participated jointly in the drafting of this
17 Agreement, and the terms and conditions of this Agreement are not intended to be, and shall not be,
18 construed against any party by virtue of draftsmanship. The captions of paragraphs of this Agreement
19 have been inserted for convenience of reference only and shall have no effect upon the construction or
20 interpretation of any part of this Agreement.

21 **8.1.4. Invalidity of Any Provision.** Before declaring any provision of this Agreement
22 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible so as to
23 render all provisions of this Agreement valid and enforceable.

24 **8.2. Further Acts and Cooperation Between the Parties.** The Parties shall cooperate and
25 use their best efforts to obtain the Court's approval of this Agreement and its terms. Each of the Parties,
26 upon the request of another, agrees to perform such further acts and to execute and deliver such other
27 documents as are reasonably necessary to carry out the provisions of this Agreement.
28

8.3. Continuing Jurisdiction. The Court shall retain jurisdiction over the implementation of this Agreement as well as any and all matters arising out of, or related to, the implementation of this Agreement and of the settlement contemplated thereby.

8.4. Disputes. If the Parties have a dispute with regard to the language of this Agreement, they agree to engage a mediator to mediate any such dispute. The Parties will split the costs of the mediator, and the Parties will bear their own fees and costs.

8.5. Governing Law and Enforcement Actions. All terms of this Agreement shall be governed by and interpreted according to the laws of the State of California.

PLAINTIFF

Dated: January ^{RV}____, 2022

DocuSigned by:

Rene Velasquez
Rene Velasquez

COUNSEL FOR PLAINTIFF AND CLASS

Dated: January 31, 2022

Simon L. Yang
Larry W. Lee
Simon L. Yang
DIVERSITY LAW GROUP, P.C.

DEFENDANT

Dated: January 26, 2022

Timothy J. Allen
Timothy J. Allen, Title Vice President, Secretary
AIR TRANSPORT INTERNATIONAL, INC.

COUNSEL FOR DEFENDANT

Dated: January 26, 2022

David L. Cheng
David L. Cheng
FORD & HARRISON LLP

Exhibit A

This notice is being sent pursuant to court order. This is not a solicitation from a lawyer.

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Rene Velasquez v. Air Transport International, Inc.,

Superior Court of the State of California for the County of Sacramento Case No. 34-2021-00307289

If you were employed by Air Transport International, Inc. in California and issued a wage statement from July 29, 2020, through August 3, 2021, you could receive a payment from the settlement of a class action and representative action under the Labor Code Private Attorneys General Act of 2004 ("PAGA") (the "Settlement").

Read this notice carefully, as your legal rights could be affected whether you act or not.

The Superior Court of the State of California for the County of Sacramento (the "Court") has preliminarily approved a Settlement that could affect your rights. The proposed Settlement resolves a class and PAGA representative action lawsuit filed by Plaintiff, Rene Velasquez, against Defendant, Air Transport International, Inc. in the Court, which has been designated Case No. 34-2021-00307289 (the "Action").

- The Action alleges Defendant fails to provide lawful wage statements to employees. Specifically, it alleges Defendant's wage statements fail to show the name and address of the legal entity that was the employer. On that basis, the Action pursues class action claims as well as PAGA claims.
- Defendant denies Plaintiff's allegations and maintains it has fully complied with the law. By agreeing to the Settlement, Defendant in no way admits any violation of law or any liability whatsoever to Plaintiff or others and expressly denies all such liability. Both Plaintiff and Defendant have agreed to the Settlement in light of all known facts and circumstances—including the uncertainty associated with litigation.
- If the Court grants final approval of the class action settlement (and approves the PAGA settlement), it would provide cash payments to Settlement Class Members (and Aggrieved Employees), based on the number of relevant wage statements that they received from July 29, 2020, through August 3, 2021 (the "Class Period" or "PAGA Period").
- Based on Defendant's records, you received **XXX** relevant wage statements, and an *estimate* of the amount that could be allocated to you is **\$XXX**. Whether you receive a payment depends on whether the Court grants final approval of the class action settlement and approves the PAGA settlement, and the amount you ultimately receive depends on the terms the Court finally approves and whether you have opted out of the class action settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION SETTLEMENT:	
DO NOTHING	You do not have to do anything in response to this notice. If you do nothing and the Court grants final approval of the class action settlement, you will remain eligible to automatically receive an Individual Class Payment and will be bound by the class action release provisions of the Settlement.
OPT OUT	You may opt out of the class action settlement by submitting a Request for Exclusion. If you opt out, you may not object to the class action settlement, will not be eligible to receive an Individual Class Payment, and will not be bound by the class action release provisions of the Settlement.
OBJECT	You may object to the class action settlement by submitting a written objection. If you object and the Court grants final approval of the class action settlement despite your objection, you will remain eligible to automatically receive an Individual Class Payment and will be bound by the class action release provisions of the settlement.

If the Court approves the PAGA settlement, you will receive an Individual PAGA Payment and will be bound by the PAGA release provisions of the Settlement, regardless of whether you opt out of or object to the class action settlement.

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Questions? Please contact the Administrator at (xxx) xxx-xxxx.

**THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION FROM THE COURT
AS TO THE MERITS OF THE CLAIMS.**

1. Why Did I Receive This Notice?

You are receiving this Notice of Class Action and PAGA Settlement (the "Notice") because Defendant's records show that you were employed by Defendant in California and issued a wage statement from July 29, 2020, through August 3, 2021 ("Class Member" or "Aggrieved Employee"). As a Class Member, you may be entitled to share in the funds to be made available for the class action settlement. As an Aggrieved Employee, you may be entitled to share in the funds to be made available for the PAGA settlement.

Because the Settlement preliminarily approved by the Court would affect Settlement Class Members' legal rights, the Court ordered that this Notice be sent to you. This Notice provides a brief description of the Action, informs you of the settlement terms preliminarily approved by the Court, and advises you of your legal rights with respect to the Settlement. If the Court finally approves the class action settlement and approves the PAGA settlement, the Settlement will fully resolve the Action, and your legal rights may be affected by the Settlement.

The Court has preliminary approved Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C., and William L. Marder of Polaris Law Group as Class Counsel. Based on their investigation and evaluation, they are of the opinion that the terms of Settlement are fair, reasonable, adequate, and in the best interests of Class Members. The terms of the Settlement are set forth in detail in the Joint Stipulation of Class Action and PAGA Settlement ("Agreement"). You may obtain a copy of the Agreement from Phoenix Settlement Administrators, a neutral third-party appointed by the Court to administer the settlement (the "Administrator").

2. What Is the Action About?

On July 29, 2021, Plaintiff sent notice to the State of California Labor & Workforce Development Agency ("LWDA") and Defendant regarding violations of the Labor Code resulting from Defendant's alleged failure to issue wage statements that accurately showed the name and address of the legal entity that was the employer.

On September 1, 2021, Plaintiff, on behalf of himself and all others similarly situated filed a complaint in the Superior Court of the State of California for the County of Sacramento. The complaint alleges violation of Labor Code section 226(a) for failure to provide lawful wage statements. Plaintiff filed an amended complaint to also add claims as a proxy for the State of California for the same violations.

Defendant denied and continues to deny (i) all of the allegations made by Plaintiff, (ii) that it violated any applicable laws, or (iii) that it is liable or owes damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Action. Nonetheless, without admitting or conceding any liability or wrongdoing whatsoever, Defendant has agreed to settle the Action, to avoid the burden, expense, and uncertainty of continuing the Action.

3. What Are the Payments Under the Settlement?

Defendant agrees to pay a Gross Settlement Amount of \$250,000, which is inclusive of any Administration Costs, Attorneys' Fees and Costs Award, Class Representative Award, LWDA Payment, and Individual Class Payments & Individual PAGA Payments awarded by the Court. The Court may approve payment of (i) Administration Costs to the Administrator for administering the settlement (e.g., printing, distributing, or tracking Notices, distributing payments, etc.); (ii) an Attorneys' Fees and Costs Award to Class Counsel for litigation and resolution of the Action; and (iii) a Class Representative Award to Plaintiff both for his efforts in prosecuting the Action for Class Members and for Plaintiff's additional general release of claims inapplicable to Class Members.

75% of the Net Settlement Amount after deduction for any Court-approved payments will be allocated entirely to Class Members who have not opted out of the Settlement ("Settlement Class Members") as Individual Class Payments, based on the formula described below. The other 25% of the Net Settlement Amount will be allocated to a PAGA Penalty Fund. Pursuant to Labor Code requirements, 75% of the PAGA Penalty Fund will be allocated

to the LWDA as an LWDA Payment. The remainder of the PAGA Penalty Fund will be allocated entirely to Aggrieved Employees as Individual PAGA Payments, based on the formula described below.

Individual Class Payments and Individual PAGA Payments: Individual Class Payments shall be distributed to Settlement Class Members and Individual PAGA Payments shall be distributed to Aggrieved Employees, respectively, without the need to submit a claim form. Allocations for amounts payable to Settlement Class Members and Aggrieved Employees will be based on the number of relevant wage statements they received as reflected in Defendant's records.

Funds from the PAGA Penalty Fund shall be distributed to Aggrieved Employees as Individual PAGA Payments and proportionally allocated among Aggrieved Employees based on the number of relevant wage statements during the PAGA Period for each Aggrieved Employee. The remainder of the Net Settlement Amount shall be distributed to Participating Class Members as Individual Class Payments and proportionally allocated among Settlement Class Members based on the number of relevant wage statements during the Class Period for each Settlement Class Member.

All payments from the Net Settlement Amount shall be classified for tax reporting purposes as penalties. Through this settlement, each Settlement Class Member and Aggrieved Employee shall agree to be solely and legally responsible for paying all other applicable taxes on their respective Individual Class Payments and Individual PAGA Payments and shall indemnify and hold harmless the Parties from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

All uncashed or undeliverable settlement checks will expire six months after the postmarked date of their initial mailing. After six months, the sum value of all expired checks will be tallied by the Administrator. The Administrator shall direct the principal for any expired checks in accordance with the Final Approval Order. The Parties shall request that the Court order that the principal for any expired checks escheat to the State of California's Unclaimed Property Fund in the name of the Settlement Class Member or Aggrieved Employee.

Attorneys' Fees and Costs Award: You do not need to individually pay any portion of Class Counsel's attorneys' fees and costs. Any payments for those attorneys' fees and costs will be determined by the Court. Class Counsel intends to request that the Court approve an Attorneys' Fees and Costs Award in the amount of (a) 33⅓% of the Gross Settlement Amount (or \$83,333.33) and (b) litigation costs.

Class Representative Award: Any Class Representative Award is to be determined by the Court and would be supplemental to Plaintiff's Individual Class Payment and Individual PAGA Payment. Class Counsel intends to request that the Court approve a Class Representative Award of \$10,000 for Plaintiff's efforts in prosecuting the Action for Class Members and for Plaintiff's additional general release of claims inapplicable to Class Members.

Administration Costs: Class Counsel intends to request that the Court approve Administration Costs of up to \$5,000, payable to the Administrator for administering the settlement, including, but not limited to, printing, distributing, or tracking Notices, providing any required tax forms, processing any required tax payments, or reporting, and calculating and distributing all payments under the Settlement.

All Payments Subject to Court Approval: The above payments will be made if and only if the Court concludes the settlement is reasonable, fair, and adequate for the Class. The Court may adjust the amounts of certain payments.

4. What Do I Release Under the Settlement?

If the Court grants final approval of the class action settlement and concludes it is reasonable, fair, and adequate for Class Members, Settlement Class Members would release Defendant and its respective agents, attorneys, insurers, past, present and future divisions, members, affiliates, predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under, or in concert with any of them (a "Released Party") from any and all claims for violations of Labor Code section 226(a) during the Class Period that were alleged in the Action or that reasonably could have been alleged based on the facts alleged in the Action.

This means that, if you do not timely and formally exclude yourself from the class action settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

Upon approval, all Aggrieved Employees, the State of California, and the California Labor & Workforce Development Agency fully release Defendant and each Released Party from any and all claims for civil penalties for violations of Labor Code section 226(a) during the PAGA Period that were alleged in the Action or that reasonably could have been alleged based on the facts alleged in the Action ("the Released PAGA Claims").

For the Released PAGA Claims, this means that you, irrespective of whether you opt out from the class action settlement, cannot sue, continue to sue, or be part of any other PAGA lawsuit against Defendant about the legal issues resolved by this Settlement.

5. How Do I Object to the Class Action Settlement?

If you want to participate in the Settlement, you do not have to do anything and do not have to appear at the final approval hearing before the Court. You will automatically receive your Individual Class Payment and Individual PAGA Payment if the Court grants final approval of the class action settlement and approves the PAGA settlement.

If you want to object to the class action settlement, you may appear at the final approval hearing to object to the class action settlement. Alternatively, you must take the steps below:

- (1) You must mail a written statement to the Administrator listed below.
- (2) The written statement must include: your name, address, last four digits of your Social Security number, and the basis for your objection.
- (3) If you object, you may but are not required to appear at the final approval hearing either in person or through counsel, paid for at your own expense.
- (4) The written statement must be postmarked by [45 calendar days after the initial mailing of Notice].

If you object, you will remain bound by the class action settlement if finally approved and bound by the PAGA settlement if approved. If you do not want to be bound by the class action settlement if finally approved, you must opt out of the class action settlement. Regardless of whether you object to the class action settlement, you will be bound by the PAGA settlement if approved.

6. How Do I Opt Out of the Class Action Settlement?

If you do not want to participate in the class action settlement, you may opt out of the class action settlement. If you opt out of the class action settlement, you may not object to the class action settlement, will not receive any Individual Class Payment, and will not be bound by the class action release provisions of the Settlement.

In order to opt out, you MUST express your desire to be excluded from the class action settlement by mailing to the Administrator a "Request for Exclusion," which must state "Request for Exclusion," include your name, current address, current telephone number, and last four digits of your social security number. Any such Request for Exclusion must be postmarked by [45 calendar days after the initial mailing of Notice].

Any Request for Exclusion that does not include all required information or that is not submitted on a timely basis will be deemed null, void, and ineffective. A Request for Exclusion shall be deemed to be submitted as of the postmarked date. If you submit both a Request for Exclusion and an objection, your Request for Exclusion will be valid and be deemed to invalidate the objection.

7. Where Can I Get Additional Information?

This Notice summarizes the Action, Settlement, and related matters. For more information, you may contact the Administrator:

Administrator:

xxx
xxx
xxx, California xxx
Telephone: (xxx) xxx-xxxx

The contact information for the Parties' attorney are as follows:

Class Counsel:

DIVERSITY LAW GROUP, P.C.	POLARIS LAW GROUP
Larry W. Lee	William L. Marder
lwlee@diversitylaw.com	bill@polarislawgroup.com
Simon L. Yang	
sly@diversitylaw.com	
515 S. Figueroa St., Suite 1250	501 San Benito Street, Suite 200
Los Angeles, California 90071	Hollister, California 95023
Telephone: (213) 488-6555	Telephone: (831) 531-4214
Facsimile: (213) 488-6554	Facsimile (831) 634-0333

Air Transport International, Inc.'s Counsel:

David L. Cheng
dcheng@fordharrison.com
350 S. Grand Ave., Suite 2300
Los Angeles, California 90071
Telephone: (213) 237-2400
Facsimile: (213) 237-2401

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT

Exhibit B

DIVERSITY LAW GROUP, P.C.

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Simon L. Yang (State Bar No. 260286)

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Hollister, California 95023

Telephone: (831) 531-4214

Facsimile (831) 634-0333

Attorneys for Plaintiff and the Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

RENE VELASQUEZ, as an individual and on
behalf of all others similarly situated, and as a
private attorney general,

Plaintiff,

vs.

AIR TRANSPORT INTERNATIONAL, INC., a
Delaware corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 34-2021-00307289

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION COMPLAINT
FOR:**

- (1) Violation of Lab. Code § 226(a)**
- (2) Violation of Lab. Code § 2698 et seq.**

DEMAND OVER \$25,000.00

1 On behalf of himself and other similarly situated current and former employees of Defendants
2 and as a proxy for the State of California, Plaintiff, Rene Velasquez, submits this First Amended Class
3 and Representative Action Complaint (the "Complaint") against Defendant, Air Transport International,
4 Inc., and Does 1 through 50 (collectively, "Defendants").

5 INTRODUCTION

6 1. This class and representative action seeks penalties and other relief for Defendants'
7 failure to furnish Plaintiff and other employees with wage statements that comply with California Labor
8 Code section 226(a).¹ Specifically, Defendants fail to furnish Plaintiff and other employees with wage
9 statements that show Defendants' legal name and address. Instead, wage statements simply show "AIR
10 TRANSPORT INTERNATIONAL" without any address for the employer. Defendants thus violate
11 Section 226(a).

12 JURISDICTION AND VENUE

13 2. The Complaint seeks relief exceeding \$25,000.00. The Court has jurisdiction of
14 Defendants' violations of Sections 226 and 2698 et seq.

15 3. Plaintiff worked for Defendants in Sacramento, California. Venue is proper.

16 PARTIES

17 4. Plaintiff was employed by Defendants as an aircraft mechanic. Until his employment
18 with Defendants ended in July of 2021, Plaintiff was furnished with wage statements that fail to show
19 any address for the employer. Plaintiff thus is a victim of the policies, practices, and customs of
20 Defendants complained of in this action in ways that have deprived him of the rights guaranteed by the
21 Labor Code.

22 5. Plaintiff is informed and believes that Air Transport International, Inc. was and is a
23 Delaware corporation. Plaintiff is informed and believes that at all times herein mentioned named
24 defendants and Does 1 through 50, were and are corporations, business entities, individuals, or
25 partnerships that are and were licensed to do business and actually doing business in California.

26 6. Plaintiff does not know the true names or capacities of the defendants sued herein as
27 Does 1 through 50, whether individual, partner, or corporate, and for that reason, said defendants are
28

¹ Except as otherwise noted, all "Section" references are to the Labor Code.

1 sued under such fictitious names. Plaintiff prays for leave to amend this Complaint when the true names
2 and capacities are known. Plaintiff is informed and believes that each of said fictitious defendants was
3 responsible in some way for the matters alleged herein and proximately caused the illegal employment
4 practices, wrongs, and injuries complained of herein.

5 7. Plaintiff is informed and believes that Defendants have jointly and severally acted
6 intentionally and with deliberate indifference and conscious disregard to the rights of employees by
7 failing to provide accurate and complete wage statements. Plaintiff is informed and believes that
8 Defendants have engaged in, among other things, a system of willful violations of the Labor Code by
9 creating and maintaining policies, practices, and customs that knowingly deny its employees the above
10 stated rights and benefits.

11 8. At all times herein mentioned, each of said Defendants participated in the doing of the
12 acts alleged herein. Defendants, and each of them, were the agents, servants, or employees of each of
13 the other Defendants, as well as the agents of all Defendants, and were acting within the course and
14 scope of said agency and employment.

15 9. Plaintiff is informed and believes that at all times material hereto, each of said
16 Defendants was the agent, employee, alter ego, or joint venturer of, or was working in concert with,
17 each of the other Defendants and was acting within the course and scope of such agency, employment,
18 joint venture, or concerted activity. To the extent said acts, conduct, or omissions were perpetrated by
19 certain Defendants, each of the remaining Defendants confirmed and ratified said acts, conduct, or
20 omissions of the acting Defendants.

21 10. Plaintiff is informed and believes that at all times material hereto each of the Defendants
22 (i) aided and abetted the acts and omissions of each of the other Defendants in proximately causing the
23 alleged harms, or (ii) were members of, engaged in, and acting within the course and scope of, and in
24 pursuance of, a joint venture, partnership, or common enterprise.

25 CLASS ACTION ALLEGATIONS

26 11. **Definition:** Pursuant to Code of Civil Procedure section 382, Plaintiff seeks class
27 certification of all current and former employees of Defendants in the State of California who were paid
28 wages at any time since September 1, 2020 (the "Class").

1 12. **Numerosity and Ascertainability:** The members of the Class are so numerous that
2 joinder of all members would be impractical, if not impossible. Plaintiff is informed and believes that
3 Defendants violated Section 226 against Plaintiff and the Class by failing to furnish Plaintiff and the
4 Class with wage statements that show Defendants' address. The identities of the members of the Class
5 are readily ascertainable by review of Defendants' records, including payment or payroll records.

6 13. **Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps to
7 represent fairly and adequately the interests of the Class defined above. Plaintiff's attorneys are ready,
8 willing, and fully able to adequately represent Plaintiff and the Class. Plaintiff's attorneys have
9 prosecuted and settled wage-and-hour class actions in the past and continue to litigate numerous wage-
10 and-hour class actions currently pending in California state and federal courts.

11 14. **Common Question of Law and Fact:** There are predominant common questions of law
12 and fact and a community of interest amongst the claims of Plaintiff and of the Class. Plaintiff is
13 informed and believes that Defendants uniformly administer a corporate policy and practice of routinely
14 failing to furnish Plaintiff and the Class with wage statements that show Defendants' address.

15 15. **Typicality:** The claims of Plaintiff are typical of the claims of all members of the Class
16 in that Plaintiff suffered the alleged harms in a similar and typical manner as other members of the Class
17 suffered. As with other members of the Class, Plaintiff was furnished with wage statements that fail to
18 show any address for the employer. Plaintiff thus is a member of the Class and has suffered the alleged
19 violations of the Labor Code.

20 16. The Labor Code is broadly remedial in nature. Its laws serve an important public interest
21 in establishing minimum working conditions and requirements in California. These labor standards
22 protect employees from onerous terms and conditions of employment or exploitation by employers who
23 have superior economic and bargaining power.

24 17. The nature of this action and the format of laws available to Plaintiff and members of the
25 Class make the class action format a particularly efficient and appropriate procedure to redress the
26 wrongs alleged herein. If each employee were required to file an individual lawsuit, the corporate
27 Defendants would necessarily gain an unconscionable advantage since they would be able to exploit and
28 overwhelm the limited resources of each individual plaintiff with their vastly superior financial and

1 legal resources. Requiring each member of the Class to pursue an individual remedy would also
2 discourage the assertion of lawful claims by employees who would be disinclined to file an action
3 against their former or current employer for real and justifiable fear of retaliation and permanent
4 damage to their careers at their current or subsequent employment.

5 18. The prosecution of separate actions by individual members of the Class, even if possible,
6 would create a substantial risk of (a) inconsistent or varying adjudications with respect to individual
7 members of the Class that would establish potentially incompatible standards of conduct for
8 Defendants, or (b) adjudications with respect to individual members of the Class that would, as a
9 practical matter, be dispositive of, or substantially impair or impede the ability to protect, the interests
10 of other members of the Class not parties to the adjudications. Further, the claims of the individual
11 members of the Class are not sufficiently large to warrant vigorous individual prosecution considering
12 the concomitant costs and expenses.

13 19. Defendants' pattern, practice, and uniform administration of corporate policy in violation
14 of the Labor Code is unlawful. Proof of a common business practice or factual pattern will establish the
15 rights of Plaintiff and the Class under Section 226, applicable IWC Wage Orders, and Code of Civil
16 Procedure section 1021.5 to recover applicable penalties, reasonable attorneys' fees, and costs of suit.

17 **FIRST CAUSE OF ACTION**

18 **Inaccurate Itemized Wage Statements (Lab. Code § 226(a))**

19 **(By Plaintiff and the Class Against All Defendants)**

20 20. The preceding paragraphs are re-alleged and incorporated by this reference.

21 21. Section 226(a) requires an employer to furnish to its employees itemized wage
22 statements that show accurate information, including without limitation, the name and address of the
23 legal entity that is the employer.

24 22. As a matter of policy and practice, Defendants fail to provide itemized wage statements
25 that comply with Section 226(a). Plaintiff and the Class are furnished wage statements that do not show
26 Defendants' legal name and address. Instead, wage statements simply show "AIR TRANSPORT
27 INTERNATIONAL" without any address for the employer. Defendants thus violate Section 226(a).

23. As a result, Plaintiff and the Class suffered injuries, including employee confusion over the employer address required by, for example, applications for unemployment benefits, or written notices to the Labor and Workforce Development Agency. Such delays injured Plaintiff and the Class.

24. Such a pattern, practice, and uniform administration of corporate policy is unlawful and entitles Plaintiff and the Class to recover applicable penalties, actual damages and interest thereon, attorneys' fees, and costs of suit.

SECOND CAUSE OF ACTION

Civil Penalties (Lab. Code § 2698 et. seq.)

(By Plaintiff Against All Defendants)

25. The preceding paragraphs are re-alleged and incorporated by this reference.

26. Pursuant to the Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698 et seq. (“PAGA”), Plaintiff brings this cause of action as a proxy for the State of California. In this capacity, Plaintiff seeks penalties for Defendants’ violations of Section 226(a) committed against all aggrieved employees of Defendants in the State of California since July 29, 2020.

27. As stated herein, Defendants furnished wage statements that do not show the name and address of the legal entity that was the employer. Instead, wage statements simply show “AIR TRANSPORT INTERNATIONAL” without any address for the employer. Under Section 2699(c), Plaintiff is an “aggrieved employee,” as one or more of the alleged violations was committed against Plaintiff as an employee of Defendants.

28. On or about July 29, 2021, Plaintiff sent written notice to the Labor & Workforce Development Agency (“LWDA”) of Defendants’ violations of Section 226(a). Plaintiff simultaneously sent written notice to Defendants via certified mail. The LWDA has not elected to investigate the allegations. As such, pursuant to Section 2699(a) and (g), Plaintiff seeks recovery of all applicable penalties for Defendants’ violations against all aggrieved employees for the period described above.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment for himself and all others on whose behalf this suit is brought against Defendants, jointly and severally, as follows:

1. For an order certifying the proposed Class and subclasses;

2. For an order appointing Plaintiff as the representative of the Class;
3. For an order appointing Counsel for Plaintiff as Class Counsel;
4. Upon the First Cause of Action for penalties, actual damages, and costs and attorneys' fees pursuant to Section 226;
5. Upon the Second Cause of Action for penalties, and costs and attorneys' fees pursuant to Section 2699(a), (f), and (g);
6. Upon each cause of action for attorneys' fees and costs as provided by the Labor Code and Code of Civil Procedure section 1021.5; and
7. For such other and further relief that the Court may deem just and proper.

DATED: January 11, 2022

DIVERSITY LAW GROUP, P.C.

By: _____
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Simon L. Yang
Attorneys for Plaintiff