

1 **JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT**

2 This Joint Stipulation of Class and Private Attorney Generals Act (“PAGA”) Representative
3 Action Settlement (“Agreement” or “Settlement Agreement”) is made and entered into by and
4 between Plaintiff VICTORIA WILSON (“Plaintiff” or “Wilson”), individually, and on behalf of all
5 others similarly situated and Defendants I.K. HOFMANN USA INC. (“I.K. Hofmann”) and
6 LUFTHANSA CARGO AKTIENGESELLSCHAFT (“Lufthansa”). I.K. Hofmann and Lufthansa
7 are collectively referred to herein as “Defendants” and Defendants and Plaintiff are referred to as the
8 “Parties”.

9 **I. RECITALS**

10 On July 2, 2021, Plaintiff Victoria Wilson brought a putative class action against I.K.
11 Hofmann USA, Inc. and Lufthansa Cargo Aktiengesellschaft in Superior Court for the State of
12 California, County of Los Angeles, entitled *Victoria Wilson v. I.K. Hofmann USA, Inc., et al.*, Case
13 No. 21STCV24628 (“Complaint”), asserting claims for (1) Failure to Pay Minimum Wages
14 (California Labor Code sections 204, 1194, 1194.2 and 1197); (2) Failure to Pay Overtime
15 Compensation (California Labor Code sections 1194 and 1198); (3) Failure to Provide Meal Periods
16 (California Labor Code sections 226.7 and 512); (4) Failure to Authorize and Permit Rest Breaks
17 (California Labor Code section 226.7); (5) Failure to Indemnify Necessary Business Expenses
18 (California Labor Code section 2802); (6) Failure to Timely Pay Final Wages at Termination
19 (California Labor Code sections 201-203); (7) Failure to Provide Accurate Itemized Wage
20 Statements (California Labor Code section 226); and (8) California Business & Professions Code
21 sections 17200, *et seq.* (unfair business competition).

22 On July 26, 2022, Plaintiff sent a letter to the Labor and Workforce Development Agency,
23 pursuant to California Labor Code § 2699.3, providing notice of her intent to seek civil penalties
24 under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* (“PAGA Letter”).
25 The LWDA did not indicate that it intended to investigate the alleged violations referenced in the
26 letter, and the 65-day time period permitted for the LWDA to provide such a notification expired.

1 On September 30, 2021, Plaintiff filed a First Amended Complaint adding a cause of action
2 for Private Attorneys General Act penalties under Cal. Labor Code §§ 2698 *et seq.* for the Labor
3 Code violations alleged in the initial complaint.

4 On November 16, 2022, the Parties participated in private mediation with Steven J. Serratore,
5 an experienced mediator. Following mediation and mediator's proposal, the Parties reached the basic
6 terms of a settlement to resolve this matter, the terms of which are memorialized in this Settlement
7 Agreement, subject to approval by the Court. The settlement discussions were conducted at arm's-
8 length, and the Settlement is the result of an informed and detailed analysis of Defendants'
9 potential liability of total exposure in relation to the costs and risks associated with continued
10 litigation. Based on the documents produced, as well as Class Counsel's own independent
11 investigation and evaluation, and the mediator's efforts, Class Counsel believes that the Settlement
12 with Defendants for the consideration and on the terms set forth in this Settlement Agreement is
13 fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known
14 facts and circumstances, including the risk of significant delay and uncertainty associated with
15 litigation and various defenses asserted by Defendants.

16 This Settlement Agreement is made and entered into by and between Plaintiff, individually,
17 and on behalf of all others similarly situated, and Defendants, and is subject to the terms and
18 conditions hereof and to the Court's approval. The Parties expressly acknowledge that this
19 Agreement is entered into solely for the purpose of compromising significantly disputed claims and
20 that nothing herein is an admission of liability or wrongdoing by Defendants. If for any reason the
21 Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned
22 to their original respective positions.

23 **II. DEFINITIONS**

24 The following definitions are applicable to this Settlement Agreement. Definitions contained
25 elsewhere in this Settlement Agreement shall also be effective:

26 1. "Action" means *Victoria Wilson v. I.K. Hofmann USA, Inc., et al.*, Los Angeles
27 County Superior Court Case No. 21STCV24628.

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1 2. “Attorneys’ Fees” means attorneys’ fees agreed upon by the Parties and approved by
2 the Court for Class Counsel’s litigation and resolution of the Action, and all costs incurred and to be
3 incurred by Class Counsel in the Action. Subject to Court approval, Class Counsel Attorney’s Fees
4 payment shall not exceed the amount 33.33% of the Gross Settlement Amount, or ONE HUNDRED
5 THIRTY-THREE THOUSAND THREE HUNDRED TWENTY DOLLARS AND ZERO CENTS
6 (\$133,320.00.)

7 3. “Lufthansa Class Members” means all individuals who are currently employed or
8 were formerly employed by Defendant Lufthansa Cargo Aktiengesellschaft in California as hourly
9 non-exempt employees at any time during the Class Period.

10 4. “I.K. Hofmann Class Members” means all individuals who are currently employed or
11 were formerly employed by Defendant I.K. Hofmann USA, Inc. in California as hourly non-exempt
12 employees and assigned to perform services for Lufthansa Cargo Aktiengesellschaft at any time
13 during the Class Period.

14 5. “Class” or “Class Member(s)” means all Lufthansa Class Members and I.K. Hofmann
15 Class Members.

16 6. “Class Counsel” means mean Kane Moon, H. Scott Leviant, and Mariam Ghazaryan
17 of Moon & Yang, APC and all the lawyers of this firm acting on behalf of Plaintiff and the Class.

18 7. “Class List” means a complete list of all Class Members that Defendants will
19 diligently and in good faith compile from their respective records and provide to the Settlement
20 Administrator within twenty-one (21) calendar days after Preliminary Approval of this Settlement.
21 The Class List shall be formatted in Microsoft Office Excel and shall include each Class Member’s:
22 (i) name; (ii) most recently known mailing address; (iii) telephone number; (iv) Social Security
23 Number (v) dates of employment as an as hourly non-exempt employee of Defendants in California;
24 and (vi) the respective number of Workweeks that each Class Member worked as hourly non-exempt
25 employee of Defendants in California during the Class Period.

26 8. “Class Period” means the period from July 2, 2017, through January 15, 2023.

27 9. “Class Released Claims” means any and all claims, rights, demands, liabilities, and
28 causes of action based on the same set of operative facts as those set forth in the operative Complaint,

1 including but not limited to claims based on the following categories of allegations: all claims under
2 state, federal or local law, whether statutory, common law or administrative law, arising out of or
3 related to allegations set forth in the operative Complaint, claims for failure to pay all minimum wages,
4 failure to pay overtime wages, failure to pay overtime wages at the regular rate of pay, failure to provide
5 meal periods, failure to provide rest periods, failure to furnish accurate wage statements, failure to pay
6 all wages earned, failure to maintain required records, failure to pay earned wages upon termination or
7 discharge, failure to pay paid sick leave, failure to reimburse business expenses, unfair competition,
8 including, but not limited to, claims for injunctive relief, punitive damages, liquidated damages,
9 penalties of any nature, interest, fees, including fees under California Code of Civil Procedure section
10 1021.5; costs; and all other claims and allegations, whether known or unknown, that were made or
11 could have been made in the Action based on the facts and allegations pled in the operative Complaint,
12 from July 2, 2017, through January 15, 2023.

13 10. “Class Settlement” means the settlement and release of Class Released Claims.

14 11. “Complaint” means the First Amended Class Action Complaint , or any subsequently
15 amended complaint filed thereafter in the Action.

16 12. “Court” means the Los Angeles County Superior Court.

17 13. “Defendants” means I.K. Hofmann USA, Inc. and Lufthansa Cargo
18 Aktiengesellschaft.

19 14. “Defense Counsel” or “Defendants’ Counsel” shall mean Jackson Lewis P.C. and
20 Cozen O’Connor.

21 15. “Effective Date” means the date when all of the following events have occurred: (1)
22 the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendants’
23 Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement; (3) the Notice
24 of Class Action Settlement has been given to the putative members of the Class, providing them with
25 an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (4)
26 the Court has held a formal fairness hearing and entered a Final Approval Order and Judgment
27 certifying the Class, and approving the Stipulation of Settlement; (5) 65 calendar days have passed
28 since the Court has entered a Final Approval Order and Judgment certifying the Class, and approving

1 the Stipulation of Settlement; and (6) in the event there are written objections filed prior to the final
2 fairness hearing which are not later withdrawn or denied, the later of the following events: five
3 business days after the period for filing any appeal, writ or other appellate proceeding opposing the
4 Court's Final Approval Order and Judgment has elapsed without any appeal, writ or other appellate
5 proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the
6 Court's Final Approval Order and Judgment approving the Stipulation of Settlement has been filed,
7 five business days after any appeal, writ or other appellate proceedings opposing the Stipulation of
8 Settlement has been finally and conclusively dismissed with no right to pursue further remedies or
9 relief.

10 16. "Final Approval Hearing" means the final hearing held to ascertain the fairness,
11 reasonableness, and adequacy of the Settlement Agreement, at which time the Court will enter an
12 order granting final approval of the Settlement Agreement.

13 17. "Final Approval Order and Judgment" means the order certifying the Class, granting
14 final approval of the Settlement, and entering judgment based thereon, after the Court has determined
15 that the Settlement is fair, adequate, and reasonable to the Class, following notice to the Class and a
16 hearing on the fairness of the Settlement.

17 18. "Gross Settlement Amount" means the maximum settlement amount of FOUR
18 HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$400,000.00) to be paid by Defendants
19 (\$325,000.00 to be paid by Defendant I.K. Hofmann USA, Inc. and \$75,000.00 to be paid by
20 Lufthansa Cargo Aktiengesellschaft) in full satisfaction of all class and representative action claims
21 arising from the facts alleged in the Action and LWDA Notice, which includes all Individual
22 Settlement Payments to Participating Class Members, Settlement Administration Costs, the PAGA
23 Settlement Amount, Plaintiff's Incentive Award, Attorneys' Fees, and Litigation Costs. This Gross
24 Settlement Amount has been agreed to by Plaintiff and Defendants based on an "all in" Gross
25 Settlement Amount. In no event will Defendants be liable for more than their respective share
26 indicated above of the Gross Settlement Amount for the Released Claims, with the exception of
27 Defendants' share of payroll taxes on the wages portion of the settlement, which shall be funded by
28 Defendants separately. Not later than thirty (30) calendar days after the Effective Date, Defendants

1 shall deposit their respective share of the Gross Settlement Amount into a non-interest-bearing
2 Qualified Settlement Fund created by the Settlement Administrator. The Settlement Administrator
3 shall handle such monies pursuant to the terms of the Joint Stipulation of Class and Representative
4 Action Settlement.

5 19. "Individual PAGA Payment" means each PAGA Employee's share of the 25%
6 portion of the PAGA Settlement Amount allocated to PAGA Employees.

7 20. "Individual Settlement Payment" means each Participating Class Member's share of
8 the Net Settlement Amount, to be distributed to the Participating Class Members.

9 21. "Litigation Costs" mean the amount awarded to Class Counsel to compensate them
10 for their expenses, including, but not limited to, their filing of the Action, and all related litigation
11 costs and expenses, this Settlement, and all post-Settlement compliance procedures. Subject to Court
12 approval, Class Counsel's Litigation Expenses shall be an amount not to exceed EIGHTEEN
13 THOUSAND DOLLARS AND ZERO CENTS (\$18,000.00).

14 22. "LWDA" means The State of California Labor and Workforce Development
15 Agency.

16 23. "LWDA Payment" means FIFTY-TWO THOUSAND FIVE HUNDRED DOLLARS
17 AND ZERO CENTS (\$52,500.00) (75% of the \$70,000.00 payment allocated to PAGA Settlement
18 Amount allocated to the settlement of PAGA claims, which, subject to Court approval, will be paid
19 to the LWDA.)

20 24. "Net Settlement Amount" means the portion of the Gross Settlement Amount
21 remaining after deduction of the approved Settlement Administration Costs, Attorneys' Fees,
22 Litigation Costs, PAGA Settlement Amount, and Plaintiff's Incentive Award. The Net Settlement
23 Amount will be distributed to Participating Class Members and PAGA Employees.

24 25. "Notice of Objection" means a Class Member's valid and timely written objection to
25 the Settlement Agreement. For the Notice of Objection to be valid, it must be: (a) signed by the Class
26 Member; (b) filed with the Court and served on all parties; and (c) be postmarked on or before the
27 Response Deadline. Class Members may not object to or opt out of the PAGA Settlement Amount
28 or the release of the PAGA claims.

1 26. “Notice” means the Notice of Class and Representative Action Settlement,
2 substantially in the form attached as **Exhibit A**.

3 27. “PAGA” means the California Private Attorneys General Act of 2004, which is
4 codified in California Labor Code §§ 2698 *et seq.*

5 28. “PAGA Employees” means all non-exempt hourly employees who worked in
6 California for Defendants from July 26, 2020, through January 15, 2023.

7 29. “PAGA Period” means the period from July 26, 2020, through January 15, 2023.

8 30. “PAGA Released Claims” means all claims, demands, rights, liabilities and causes of
9 action under California Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698
10 *et seq.*) alleged in the letter to the Labor & Workforce Development Agency dated July 26, 2021 (i.e.,
11 the PAGA Letter), based on the factual allegations in the operative Complaint, that arose during the
12 PAGA Period including but not limited to the following claims for civil penalties: (a) failure to pay
13 all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal
14 periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest
15 periods, or premium pay for non-compliant rest periods; (e) failure to timely pay all wages due upon
16 separation of employment; (f) failure to issue accurate, itemized wage statements based on the
17 foregoing Labor Code violations, Labor Code §§ 201, 202, 203, 226(a), 226.7, 510, 512, 1194, 1197,
18 1197.1; 1198, 2800, and 2802, and the applicable Wage Orders. The Parties agree that there is no
19 statutory right for any PAGA Employee to opt out or otherwise exclude himself or herself from the
20 PAGA Payment and the associated release of claims and rights under PAGA.

21 31. “PAGA Settlement” means the settlement and release of PAGA Released Claims.

22 32. “PAGA Settlement Amount” means the amount that the Parties have agreed to
23 allocate toward penalties under the Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698,
24 *et seq.*). The Parties have agreed that SEVENTY-THOUSAND DOLLARS AND ZERO CENTS
25 (\$70,000.00) of the Gross Settlement Amount shall be allocated to the resolution of any and all Class
26 Members’ and the State of California’s claims arising under PAGA. Pursuant to PAGA, Seventy-
27 Five Percent (75%), or FIFTY-TWO THOUSAND FIVE HUNDRED DOLLARS AND ZERO
28 CENTS (\$52,500.00), of the PAGA Settlement Amount shall be paid to the LWDA, and twenty-five

1 percent (25%), or SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS
2 (\$17,500.00), of the PAGA Settlement Amount shall be distributed to the PAGA Employees.

3 33. "Parties" means Plaintiff and Defendants collectively.

4 34. "Participating Class Members" means all Class Members who do not submit valid
5 Requests for Exclusion.

6 35. "Plaintiff" means Plaintiff Victoria Wilson.

7 36. "Plaintiff's Incentive Award" or "Incentive Award" means the amount awarded to
8 Plaintiff, not to exceed FIVE THOUSAND DOLLARS AND ZERO CENTS (\$5,000.00) in
9 exchange for a general release of all claims, and in recognition of her effort and work in prosecuting
10 the Action on behalf of the Class Members and negotiating the Settlement.

11 37. "Preliminary Approval" means the court order granting preliminary approval of the
12 Settlement Agreement.

13 38. "Preliminary Approval Hearing" means the hearing held on the motion for
14 preliminary approval of the Settlement Agreement.

15 39. "Qualified Settlement Fund Account" means a non-interest bearing transaction
16 account at a FDIC-insured institution established under this Settlement Agreement from which all
17 monies payable under this Settlement Agreement will be paid, as set forth herein.

18 40. "Released Parties" means Defendants, and any of their former and present parents,
19 subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and
20 assigns, as well as all past and present officers, directors, employees, partners, shareholders and
21 agents, attorneys, insurers, and any other successors, assigns, or legal representatives.

22 41. "Request for Exclusion" or "Opt-Out" means a request by a Class Member to opt out
23 of the Class Settlement, and by which a Class Member excludes himself or herself from participating
24 in, receiving any payment from, and being bound by, the terms of this Settlement through the
25 procedures set forth in Section V.D of this Settlement Agreement. PAGA Employees are not
26 permitted to opt-out of the PAGA Settlement.

27 42. "Response Deadline" means the deadline by which Class Members must postmark to
28 the Settlement Administrator valid Requests for Exclusion, Notices of Objection, and/or Workweek

1 Disputes. Response Deadline will be forty-five (45) calendar days from the initial mailing of the
2 Notice Packet by the Settlement Administrator, unless the 45th day falls on a Sunday or Federal
3 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
4 Postal Service is open. The Response Deadline will be extended fifteen (15) calendar days for any
5 Class Member who is re-mailed a Notice Packet by the Settlement Administrator in accordance with
6 the Notice Procedure, unless the 15th day falls on a Sunday or Federal holiday, in which case the
7 Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The
8 Response Deadline may also be extended by express agreement between Class Counsel and
9 Defendant. Under no circumstances, however, shall the Settlement Administrator have the authority
10 to extend the deadline for Class Members to submit a Request for Exclusion, Notice of Objection, or
11 Workweek Dispute.

12 43. "Settlement Administrator" means ILYM Group, Inc., the neutral entity the Parties
13 have agreed to appoint to administer the Settlement. The Parties each represent that they do not have
14 any financial interest in the Settlement Administrator or otherwise have a relationship with the
15 Settlement Administrator that could create a conflict of interest.

16 44. "Settlement Administration Costs" means the costs payable from the Gross
17 Settlement Amount to the Settlement Administrator to reimburse its reasonable fees and expenses
18 for administering this Settlement in accordance with the Administrator's "not to exceed" bid
19 submitted to the Court in connection with Preliminary Approval of the Settlement, including, but not
20 limited to, printing, translating, distributing, and tracking documents for this Settlement, calculating
21 estimated settlement amounts per Class Member, providing necessary reports and declarations,
22 mailing the Notices, processing Requests for Exclusions and objections, tax reporting, establishing
23 and maintaining an interest bearing settlement fund for the purpose of administering the Settlement
24 and disbursing sums from the fund, and other duties and responsibilities set forth herein to process
25 this Settlement as requested by the Parties. The Settlement Administration Costs shall be paid from
26 the Gross Settlement Amount. The Settlement Administration Costs are estimated to be no greater
27 than TEN THOUSAND DOLLARS AND ZERO CENTS (\$10,000.00).

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1 45. “Workweeks” means the number of weeks worked by a Class Member during the
2 Class Period according to Defendants’ respective payroll records, with any partial weeks excluded
3 from the calculations as well as any time off for leaves of absence. Defendants’ Workweek data will
4 be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement
5 Administrator by credible, written evidence. All Workweek disputes will be resolved and decided
6 by the Settlement Administrator and the Settlement Administrator’s decision on all Workweeks
7 Disputes will be final and non-appealable.

8 46. “Workweek(s) Dispute(s)” means the submission by a Class Member to the
9 Settlement Administrator to dispute the number of Workweeks credited to the Class Member.

10 **III. PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS**

11 A. **Discovery, Investigation and Research.** The Parties engaged in extensive
12 investigation of the facts and law during the prosecution of the Action. The investigation included
13 the exchange of information through formal and informal discovery. Specifically, it included, among
14 other things, the exchange of a volume of documents including Defendants’ employment policies,
15 practices, and procedures and a sampling of Class Members’ time and pay records. The Parties also
16 prepared for and attended a full-day mediation with mediator Steven J. Serratore, a well-regarded
17 mediator experienced in mediating complex wage-and-hour matters. Counsel for the Parties also
18 investigated applicable law as applied to the facts in the case and potential defenses, and conducted
19 their own evaluations of the potential recoveries based on the claims in the Action.

20 B. **Allegations of Plaintiff and Benefits of Settlement.**

21 1. This Agreement was reached after arm’s-length bargaining between the
22 Parties with the assistance of an experienced mediator, and after Class Counsel thoroughly reviewed
23 all available information. The information exchanged between the Parties allowed them to assess the
24 merits and to compromise the issues on a fair and equitable basis.

25 2. Plaintiff and Class Counsel contend the claims asserted in the Action have
26 merit. But, they acknowledge the expense and delay of continued litigation to prosecute the Action
27 through class certification, trial, and appeal. Plaintiff and Class Counsel have considered the
28 uncertain outcome and risk of litigation, and the difficulties and delays inherent in such litigation,

1 including, and not limited to, considering the risks associated with class certification, trial, and/or
2 appeals. Plaintiff and Class Counsel determined this Settlement Agreement confers substantial
3 benefit to the Class and PAGA Employees and is in the best interests of Plaintiff, Class Members,
4 PAGA Employees, and the State of California.

5 C. **Defendant's Denials of Wrongdoing and Benefits of Settlement.** Defendants
6 generally deny all claims alleged in the Action and further deny class treatment is appropriate for
7 any purpose other than this Settlement. Defendants further deny that they were Plaintiff's joint
8 employer. Lufthansa further denies that it was the employer of Plaintiff or any I.K. Hofmann
9 employee. Defendants contend they complied with California and other applicable law. It is
10 Defendants' position that, if litigation continued, class certification would be denied on all claims
11 and/or they would be entitled to a dismissal. Defendants concluded further litigation of the Action
12 would be protracted and expensive. Defendants further determined it is desirable that the Action be
13 fully and finally settled in the manner and upon the terms and conditions in this Joint Stipulation.

14 **IV. SETTLEMENT TERMS**

15 The Plaintiff, on behalf of herself, the Class Members, and PAGA Employees and Defendants
16 agree as follows:

17 A. **Gross Settlement Amount.** To settle the Action, the PAGA Released Claims, and
18 the Class Released Claims under the terms of this Settlement Agreement, Defendants will pay the
19 maximum amount of FOUR HUNDRED THOUSAND DOLLARS AND ZERO CENTS
20 (\$400,000.00) (*i.e.*, the Gross Settlement Amount) as set forth above. Defendant I.K. Hofmann USA,
21 Inc. will not be required to contribute additional sums beyond \$325,000.00 to fund the Settlement or
22 otherwise resolve this Action and the PAGA Release Claims or the Released Claims unless the total
23 number of Workweeks attributable to I.K. Hofmann USA, Inc. is greater than 8,300. Defendant
24 Lufthansa Cargo Aktiengesellschaft will not be required to contribute additional sums beyond
25 \$75,000.00 to fund the Settlement or otherwise resolve this Action and the PAGA Release Claims
26 or the Released Claims unless the total number of Workweeks attributable to Lufthansa Cargo
27 Aktiengesellschaft is greater than 6,618. In the event the total number of Workweeks attributable to
28 I.K. Hofmann USA, Inc. actually exceeds 8,300 by more than 15% (*i.e.*, if the actual Workweeks is

greater than 9,545), then the portion of the Gross Settlement Amount to be paid by I.K. Hofmann USA, Inc. shall be increased proportionately for each additional week worked above 9,545. In the event the total number of Workweeks attributable to Lufthansa Cargo Aktiengesellschaft actually exceeds 6,618 by more than 15% (i.e., if the actual Workweeks is greater than 7610.7), then the portion of the Gross Settlement Amount to be paid by Lufthansa Cargo Aktiengesellschaft shall be increased proportionately for each additional week worked above 7,610.70. The Gross Settlement Amount is non-reversionary and distribution will be on a non-claims-made basis. Defendants will pay their respective Gross Settlement Amounts within thirty (30) calendar days of the Effective Date.

B. Funding of the Gross Settlement Amount. Defendants shall each make a one-time deposit of their respective Gross Settlement Amounts into a Qualified Settlement Fund Account to be established by the Settlement Administrator. The Gross Settlement Amount shall be used to pay: (a) Individual Settlement Payments; (b) the Attorneys' Fees; (c) Litigation Costs; (d) Settlement Administration Cost; (e) Plaintiff's Incentive Award; and (f) the PAGA Settlement (including the LWDA Payment and Individual PAGA Payments). Defendants shall deposit their respective Gross Settlement Amounts within THIRTY (30) days after the Effective Date.

C. Allocation of Settlement Proceeds.

The Gross Settlement Amount is inclusive of and will be allocated as follows:

1. Class Counsel's Attorneys' Fees, as approved by the Court, in an amount not to exceed 33.33% of the Gross Settlement Amount, or ONE HUNDRED THIRTY-THREE THOUSAND THREE HUNDRED TWENTY DOLLARS AND ZERO CENTS (\$133,320.00). Defendants agree to not object to Class Counsel requesting a Class Counsel Award that does not exceed this amount. The Attorneys' Fees shall be detailed in Class Counsel's application for fees and costs in this Action, to be heard at the time of Final Approval. Class Counsel is responsible for any and all taxes associated with any payments to Class Counsel under this Settlement Agreement. Defendants will not be obligated to pay any Attorneys' Fees of Class Counsel, Plaintiff, or Class Members above this amount. No part of the Gross Settlement Amount will be used to pay any attorney's fees of Class Counsel, Plaintiff, or Class Members above this amount. In the event that the Court reduces or does not approve the requested Class Counsel Attorney's Fees, Class Counsel

1 shall not have the right to revoke this Settlement Agreement, and it will remain binding.

2 2. Litigation Costs, as approved by the Court, not to exceed EIGHTEEN THOUSAND
3 DOLLARS AND ZERO CENTS (\$18,000.00), which shall be paid from the Gross Settlement
4 Amount. The Litigation Costs shall be detailed in Class Counsel's application for fees and costs in
5 this Action, to be heard at the time of Final Approval. Class Counsel is responsible for any and all
6 taxes associated with any payments to Class Counsel under this Settlement Agreement. Defendants
7 will not be obligated to pay any costs of Class Counsel, Plaintiff, or Class Members above this
8 amount. No part of the Gross Settlement Amount will be used to pay any costs of Class Counsel,
9 Plaintiff, or Class Members above this amount. In the event that the Court reduces or does not
10 approve the requested Litigation Costs, Class Counsel shall not have the right to revoke this
11 Settlement Agreement, and it will remain binding.

12 3. Settlement Administration Costs, as approved by the Court in an amount estimated
13 not exceed TEN THOUSAND DOLLARS AND ZERO CENTS (\$10,000.00). The Settlement
14 Administrator shall be paid from the Gross Settlement Amount for the reasonable costs of
15 administration of the Settlement and distribution of payments from the Gross Settlement Amount.

16 a. Acknowledgement of Potential Administration Cost Increases. The Parties
17 hereby acknowledge that Settlement Administration Costs may increase above the current estimate
18 of TEN THOUSAND DOLLARS AND ZERO CENTS (\$10,000.00) and that any such additional
19 Settlement Administration Costs shall be taken out of the Gross Settlement Amount. Any portion of
20 the estimated or designated Class Administration Costs, which are not in fact required to fulfill the
21 total Settlement Administration Costs, shall become part of the Net Settlement Amount.

22 4. Incentive Payment to Plaintiff, as approved by the Court, for her service on behalf of
23 the Class, in an amount not to exceed FIVE THOUSAND DOLLARS AND ZERO CENTS
24 (\$5,000.00). This award will be in addition to Plaintiff's Individual Settlement Payment and
25 Individual PAGA Payment and shall be reported on an IRS Form 1099 issued by the Settlement
26 Administrator. Defendants will not be obligated to pay any incentive payment above this amount.
27 No part of the Gross Settlement Amount will be used to pay any incentive payment above this
28 amount. Even in the event that the Court reduces or does not approve the requested Incentive

1 Payment to Plaintiff, Plaintiff shall not have the right to revoke this Settlement, and it will remain
2 binding. Plaintiff is responsible for any and all taxes associated with this Incentive Payment.

3 5. PAGA Settlement Amount. In consideration of claims made under PAGA, Class
4 Counsel will request that the Court approve allocation of SEVENTY-THOUSAND DOLLARS
5 AND ZERO CENTS (\$70,000.00) of the Gross Settlement Amount to these claims. Seventy-five
6 percent (75%) of this payment will be paid to the California Labor and Workforce Development
7 Agency (i.e., the LWDA Payment), and twenty-five percent (25%) will be paid distributed to PAGA
8 Employees on a *pro rata* basis. Defendants will not oppose this request. The entire PAGA Settlement
9 Amount will be paid out of the Gross Settlement Amount. The Court's adjustment, if any, of the
10 amount allocated to the PAGA claim in the Action, will not invalidate this Agreement.

11 6. The Net Settlement Amount shall be used to satisfy Individual Settlement Payments
12 to Participating Class Members in accordance with the terms of this Agreement after deduction of
13 the approved payments set out in section 1-5, above.

14 D. **Tax Treatment.**

15 2. For withholding tax characterization purposes and payment of taxes, the Individual
16 Settlement Payments to Participating Class Members shall be deemed ten percent (10%) wages,
17 forty-five percent (45%) penalties and forty-five percent (45%) interest and non-wage damages, and
18 the Individual PAGA Payments to PAGA Employees shall be deemed one hundred percent (100%)
19 penalties.

20 3. Plaintiff, PAGA Employees, and Class Members shall be exclusively liable for any
21 and all of their respective tax liability, if any. Plaintiff, PAGA Employees, and Class Members should
22 consult with their tax advisors concerning the tax consequences of the payments they receive under
23 the Settlement Agreement. Each Class Member will be responsible for paying all applicable state,
24 local, and federal income taxes on all amounts they receive pursuant to this Settlement Agreement.
25 Plaintiff, PAGA Employees, and Participating Class Members shall cooperate with Defendants and
26 provide documentation as requested to demonstrate such payment should any taxing authority
27 challenge the tax treatment of any such payment made under the Settlement.

28 4. Each Party to this Settlement Agreement acknowledges and agrees that:

1 a. He, she, or it: (a) has relied exclusively upon his, her, or its own,
2 independent legal and tax advisers for advice (including tax advice) in connection with this
3 Settlement Agreement; (b) has not entered into this Settlement Agreement based upon the
4 recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not
5 entitled to rely upon any communication or disclosure by any attorney or advisor to any other Party
6 to avoid any tax penalty that may be imposed on him or her; and

7 5. No attorney or adviser to any other Party has imposed any limitation that protects the
8 confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such
9 limitation is legally binding) upon disclosure by him or her of the tax treatment or tax structure of
10 any transaction, including any transaction contemplated by this Settlement Agreement.

11 6. Tax Liability. Defendants make no representation as to the tax treatment or legal
12 effect of the payments called for hereunder, and Plaintiff, Participating Class Members, and Class
13 Members who timely exclude themselves from the class settlement but receive a portion of the
14 LWDA Payment are not relying on any statement, representation, or calculation by Defendants or
15 by the Settlement Administrator in this regard. Plaintiff, Participating Class Members, and Class
16 Members who timely exclude themselves from the class settlement but receive a portion of the
17 LWDA Payment understand and agree that they will be solely responsible for the payment of any
18 taxes and penalties assessed on the payments described herein and will defend, indemnify, and hold
19 Defendants free and harmless from and against any claims resulting from treatment of such payments
20 as non-taxable damages.

21 7. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
22 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO
23 THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
24 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
25 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
26 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
27 SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE
28 CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED

1 STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2)
2 THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS
3 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
4 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
5 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
6 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
7 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
8 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
9 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
10 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
11 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
12 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
13 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
14 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
15 AGREEMENT.

16 E. **Release of Claims by Plaintiff, PAGA Employees and Participating Class**

17 **Members.**

18 1. Upon the Effective Date, and after the settlement has been fully funded,
19 Plaintiff and the PAGA Employees will be deemed to have fully released and discharged all Released
20 Parties of and from all of the PAGA Released Claims.

21 2. Upon the Effective Date, and after the settlement has been fully funded,
22 Plaintiff and Participating Class Members will be deemed to have fully released and discharged all
23 Released Parties of and from all of the Class Released Claims.

24 3. In addition, upon the Effective Date, and after the settlement has been fully
25 funded, Plaintiff will be deemed to have fully released and discharged all Released Parties of and from
26 all claims arising from her employment with I.K. Hofmann, separation of employment from I.K.
27 Hofmann, her purported employment with Lufthansa (which purported employment relationship
28 Lufthansa denies), and any acts that have or could have been asserted in any legal action or proceeding

1 against Defendants, whether known or unknown, arising under any federal, state, or local law, or
2 statute, including, *inter alia*, those arising under the California Labor Code, Fair Labor Standards
3 Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement
4 Income Security Act, National Labor Relations Act, California Corporations Code, California
5 Business and Professions Code, California Fair Employment and Housing Act, California
6 Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment,
7 retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional
8 distress, medical expenses, other economic and non-economic damages, attorney fees, and costs,
9 arising on or before the Effective Date. With respect to those claims released by Plaintiff in an
10 individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under
11 California Civil Code section 1542, which provides:

12 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
13 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO**
14 **EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**
15 **RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE**
16 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
17 **DEBTOR OR RELEASED PARTY**

18 **V. ADMINISTRATION OF THE SETTLEMENT**

19 **A. Preliminary Approval.** Class counsel shall promptly move the Court for an order
20 granting Preliminary Approval of the settlement pursuant to this Settlement Agreement; approving
21 the Class Notice to be provided to the potential Class Members and the PAGA Employees;
22 establishing a procedure and approving the form for potential Class Members to opt out or request
23 payment; and scheduling a hearing on final approval, no earlier than ninety (90) days from the order
24 granting Preliminary Approval. Defendants will not oppose the motion.

25 **B. Settlement Administrator.**

26 1. The third-party company known as ILYM Group, Inc. will act as Settlement
27 Administrator. The Settlement Administrator will be responsible for: (1) preparing, translating,
28 printing and mailing simultaneously the Class Notice in substantially the same form as attached
"Exhibit A," in English and Spanish; (2) receiving and reviewing Requests for Exclusion, Notices
of Objection, and Workweek Disputes; (3) calculating payments under the Settlement; (4)

1 handling inquiries from Class Members concerning the Class Notice, including attempting to
2 resolve disputes concerning Workweeks; (5) providing weekly status reports to Defendants'
3 Counsel and Class Counsel regarding the mailings and Requests for Exclusion, Notices of
4 Objection, and Workweek Disputes; (6) establishing the Qualified Settlement Fund (QSF) and
5 distributing all payments under the Settlement, as well as payments to taxing authorities as
6 appropriate; (7) providing due diligence declarations for submission to the Court, as needed; (8)
7 printing and providing Participating Class Members and Plaintiff with tax forms as required under
8 this Settlement Agreement and applicable law, and providing copies of same to Defendant; (9)
9 performing all necessary tax reporting associated with the Settlement; (10) depositing uncashed
10 settlement checks with the Controller of the State of California to be held pursuant to the Unclaimed
11 Property Law, and (11) such other tasks as the Parties mutually agree or the Court orders the
12 Settlement Administrator to perform.

13 2. The Parties each represent they do not have a financial interest in the
14 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
15 creates or could create a conflict of interest. Settlement Administration Costs are estimated not to
16 exceed TEN THOUSAND DOLLARS AND ZERO CENTS (\$10,000.00) and are to be paid from
17 the Gross Settlement Amount subject to approval by the Court.

18 C. **Notice to Class Members.** Class Members and PAGA Employees will be provided
19 notice of the Settlement in the following manner:

20 1. Within twenty-one (21) calendar days of Preliminary Approval, Defendants
21 will provide the Settlement Administrator with their respective Class Lists. The information
22 contained in each Defendant's Class List will not be shared with Class Counsel or with the other
23 Defendant. Any report required to provide to Class Counsel will only include an identifying number
24 for the employee and the settlement amount owed.

25 2. Within twenty-one (21) calendar days after the Settlement Administrator's
26 receipt of the Class Lists, the Settlement Administrator will format and mail the Notice to the Class
27 Members and PAGA Employees via first-class U.S. mail.

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1 3. Prior to mailing the Notice to the Class, the Settlement Administrator will
2 perform a search based on the National Change of Address Database to update and correct the Class
3 Members' and/or PAGA Employees addresses, contained in the Class List, for any known or
4 identifiable address changes. It will be conclusively presumed that if the Notice has not been returned
5 within thirty (30) calendar days of mailing, that the Class Member and/or PAGA Employee received
6 the Notice and all of its contents.

7 4. The Settlement Administrator will perform a skip-trace search and re-mail all
8 Notices that are returned as undelivered on or before the Response Deadline, within seven (7)
9 calendar days of receiving the returned Notice. If a new address is obtained after a Notice is returned
10 as undeliverable, the Settlement Administrator shall promptly forward the original Notice to the
11 updated address via first-class U.S. mail, indicating the date of such re-mailing. A returned Class
12 Notice will be forwarded only once by the Settlement Administrator. Upon completion of these steps
13 by the Settlement Administrator, Defendants shall be deemed to have satisfied their obligation to
14 provide notice of the Settlement to Class Members and or PAGA Employees. Such persons shall be
15 bound by all terms of the Agreement (including the Release Claims and/or PAGA Released Claims)
16 and the Court's order granting final approval of the Settlement and judgment based thereon, unless
17 they validly request exclusion from the Settlement.

18 5. Class Members shall have forty-five (45) calendar days from the date the
19 Class Notice is first mailed (*i.e.*, the Response Deadline) to submit a Request for Exclusion,
20 Workweeks Dispute, or Notice of Objection. Unless a Class Member validly opts out of the
21 Settlement, the Class Member will be bound by all terms of the Settlement Agreement (including the
22 release of Released Claims) and the Court's order granting final approval of the Settlement and
23 judgment based thereon. PAGA Employees will be bound by the PAGA Settlement and receive their
24 Individual PAGA Payment regardless of whether they submit a Request for Exclusion from the Class
25 Settlement.

26 D. **Procedure to Opt Out of Settlement.**

27 1. Class Members who wish to exclude themselves from the Class Settlement
28 must submit to the Settlement Administrator a Request for Exclusion, which shall be a written

1 statement (as directed by the Notice) requesting exclusion from the Settlement Agreement (also
2 referred to herein as “opt out”), and which must: (a) contain the full name, address, telephone
3 number, last four (4) digits of the Social Security Number, and signature of the person requesting
4 exclusion; (b) contain a clear statement indicating that the person wishes to exclude himself or herself
5 from the Settlement, and referencing the Action by name and/or case number; and (c) be postmarked
6 no later than the Response Deadline. Any Class Member who properly opts out of the Class
7 Settlement using this procedure will not be a Participating Class Member, will be barred from
8 participating in this Settlement, will be barred from objecting to this Settlement, and will receive no
9 benefit from this Settlement. PAGA Employees may not opt out of the PAGA Settlement under any
10 circumstances and will be bound by the PAGA Settlement and receive their Individual PAGA
11 Payment regardless of whether they submit a Request for Exclusion from the Class Settlement.

12 2. A Request for Exclusion shall be deemed valid only if: (1) the Class Member
13 has provided his or her full name, address, and the last four digits of his or her Social Security
14 Number on the Request for Exclusion; (2) the Class Member has completed, dated, and signed the
15 Request for Exclusion; (3) the name and last four digits of the Social Security Number provided by
16 the Class Member on the Request for Exclusion matches Defendants’ records; and (4) the Request
17 for Exclusion is postmarked on or before the Response Deadline.

18 3. Any Class Member who submits a timely and valid Request for Exclusion will
19 not be entitled to recovery under the Settlement and will not be bound by the Settlement or the order
20 granting final approval of the Settlement and judgment based thereon. A Class Member who opts
21 out of the Settlement does not have the right to object, appeal, or comment on the Settlement. Class
22 Members who do not submit a timely and valid Request for Exclusion shall be bound by all terms of
23 the Settlement and the order granting final approval of the Settlement and judgment based thereon.

24 4. The Settlement Administrator shall provide Defendant’s Counsel and Class
25 Counsel with weekly updates about Class Members who submit Requests for Exclusion.

26 E. **Procedure to Object to Settlement.**

27 1. Any Class Member who seeks to object to the Settlement may do so by
28 submitting his or her written objection to the Settlement Administrator by mail. The objection must:

1 (a) contain the objecting Class Member's full name, address, telephone number, last four digits of
2 his or her Social Security number, and signature; (b) contain the words "Notice of Objection" or
3 "Formal Objection"; (c) contain the case name and number of the Action; (d) a clear and concise
4 statement, including factual and legal arguments, explaining his or her objection(s) to the Settlement;
5 (e) contain a statement indicating whether or not the Class Member is represented by counsel and
6 identifying any such legal counsel; (f) contain a statement indicating whether the Class Member
7 intends to appear at the Final Approval Hearing to present his or her objection(s); (g) list any
8 witnesses the objecting Class Member may call to testify at the Final Approval Hearing; and (h) be
9 filed with the Court and submitted to the Settlement Administrator no later than the Response
10 Deadline. The date of the postmark on the objection submission to the Settlement Administrator
11 shall be the exclusive means used to determine whether a Class Member has timely submitted his or
12 her objection on the Settlement Administrator. Within three (3) business days of receiving any
13 objection to the Settlement, the Settlement Administrator shall provide copies of such objections to
14 Class Counsel and Defendants' Counsel. The Settlement Administrator shall also attach copies of
15 such objections to its declaration that is filed with the Court in advance of the Final Approval
16 Hearing.

17 2. Plaintiff and/or Defendants may file a response to any written objection(s) to
18 the Settlement no later than five (5) court days before the Final Approval Hearing.

19 3. Class Members do not need to provide a written objection or notice of intent
20 to appear and object at the Final Approval Hearing. The Court may, in its discretion, receive verbal
21 objections from Class Members at the Final Approval hearing, but any written objections must be
22 timely submitted by the Response Deadline to be considered. The Class Member may appear
23 personally or through an attorney, at his or her own expense, at the Final Approval Hearing.
24 However, any attorney who will represent an objector must file a notice of appearance with the Court
25 and serve Class Counsel and Defendants' counsel no later than the Response Deadline.

26 4. Class Members who do not timely object to this Agreement shall have no right
27 to appeal the final approval order or judgment.

28 5. Only Class Members who do not opt out of the Class may submit objections.

1 6. The Parties and their respective counsel agree not to solicit or encourage any
2 Class Member to object to the settlement or to appeal the final approval order or judgment.

3 F. **Workweeks Disputes.** A Class Member may dispute the accuracy of the Workweeks
4 credited to him or her in conformity with the instructions in the Class Notice (“Workweeks Dispute”).
5 Any such Workweeks Dispute must be in writing and must: (a) contain the Class Member’s full
6 name, address, telephone number, last four digits of his or her Social Security number, and signature;
7 (b) contain the case name and number of the Action; (c) contain a clear statement explaining that he
8 or she disputes the number of Workweeks credited to him or her and what he or she contends is the
9 correct number that should be credited to him or her; (d) any documentation that he or she has to
10 support the dispute; and (e) be mailed to the Settlement Administrator, postmarked on or before the
11 Response Deadline. The Settlement Administrator shall provide copies of all Workweek Disputes to
12 Class Counsel and Defendants’ Counsel within three (3) business days of receipt, and shall
13 immediately attempt to resolve all such disputes with the assistance of Defendants’ Counsel and
14 Class Counsel. In the event of a dispute, Defendants’ records regarding the number of Workweeks
15 of the Class Member shall be presumed to be correct and the Class Member will bear the burden of
16 proof (*i.e.*, a Class Member who fails to provide written proof will have his or her challenge denied).
17 The Settlement Administrator shall investigate the challenge, requesting information from
18 Defendants as necessary and make the final determination of whether any additional amount is owed.
19 All Workweek Disputes will be resolved and decided by the Settlement Administrator and the
20 Settlement Administrator’s decision on all Workweeks Disputes will be final and non-appealable.

21 G. **Final Approval.**

22 1. At the Final Approval Hearing, Class Counsel will move the Court for an order
23 granting final approval of the Settlement and entry of judgment in accordance with the California Rule
24 of Court 3.769(h). Class Counsel will seek approval of the Settlement as being fair, reasonable, and
25 adequate to the Class Members. Class Counsel and Defendants’ Counsel will submit to the Court such
26 pleading and/or evidence as required for the Court’s determination. Class Counsel will also submit a
27 fee and cost application to be determined at the Final Approval Hearing.

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1 2. The Final Approval Order and Judgment will, among other things: (a) find
2 that the dissemination of the Class Notice in the form and manner ordered by the Court was
3 accomplished as directed, met the requirements of due process, was the best notice practicable under
4 the circumstances, and constituted due and sufficient notice to all persons entitled thereto; (b) find
5 that the Class Representative and Class Counsel herein have fairly and adequately represented and
6 protected the interests of the Class at all times in the Action; (c) grant Final Approval to the
7 Settlement as fair, reasonable, adequate, in good faith, and in the best interests of the Class as a
8 whole, and order the Parties to carry out the provisions of this Settlement Agreement; (d) certify the
9 Class; (e) direct the Parties to implement the terms of the Settlement Agreement, including, without
10 limitation, the provisions regarding payments under the Settlement; (f) enter judgment, adjudging
11 that the Participating Class Members are conclusively deemed to have released the Released Parties
12 from the Class Released Claims and that PAGA Employees are conclusively deemed to have released
13 the Released Parties from the PAGA Released Claims; (g) award Attorneys' Fees and Litigation
14 Costs to Class Counsel, the Incentive Award to Plaintiff, and Settlement Administration Costs to the
15 Settlement Administrator, in accordance with this Agreement; (h) approve the allocation for the
16 PAGA Payment; and (i) reserving continuing jurisdiction as provided herein.

17 After entry of the Final Approval Order and Judgment, the Court shall have continuing and
18 exclusive jurisdiction over the Action for purposes of: (i) administration and consummation of the
19 terms of this Settlement Agreement; (ii) enforcing, constructing, and interpreting this Settlement
20 Agreement; (iii) addressing such post-judgment matters as may be appropriate under Court rules or
21 applicable law; and (iv) enforcing, constructing, and interpreting the Final Approval Order and
22 Judgment.

23 H. **Distribution of Settlement Proceeds.**

24 1. The Settlement Administrator shall keep Defendants' Counsel and Class
25 Counsel apprised of all distributions from the Qualified Settlement Fund Account. No person shall
26 have any claim against Defendants, Defendants' Counsel, Plaintiff, Class Counsel, or the Settlement
27 Administrator based on distributions and payments made in accordance with this Settlement
28 Agreement.

1 2. Within fifteen (15) calendar days of the Effective Date, the Settlement
2 Administrator will establish a Qualified Settlement Fund (QSF) Account in a non-interest-bearing
3 transaction account at a FDIC-insured institution for the benefit of Participating Class Members and
4 PAGA Employees.

5 3. Within thirty (30) calendar days of the Effective Date, Defendants will pay
6 the Gross Settlement Amount.

7 4. Within forty-five (45) calendar days after the Effective Date, the Settlement
8 Administrator shall distribute all Individual Settlement Payments to Participating Class Members,
9 all Individual PAGA Payments to PAGA Employees, the LWDA Payment to the LWDA, Attorneys'
10 Fees and Litigation Costs to Class Counsel, the Incentive Award to Plaintiff, and Settlement
11 Administration Costs to itself, all as determined by the Court at the Final Approval Hearing.

12 5. The Settlement Administrator will be responsible for calculating each
13 Participating Class Member's share of the Net Settlement Amount (i.e., Individual Settlement
14 Payment), as follows:

15 a. Individual Settlement Payment Calculations. Individual Settlement Payments
16 will be calculated and apportioned from the Net Settlement Amount based on the number
17 of Workweeks a Participating Class Member worked during the Class Period. The Net
18 Settlement Amount shall be divided by the total number of Workweeks worked by all
19 Participating Class Members and multiplied by the individual Workweeks of each
20 Participating Class Member to determine his or her Individual Settlement Payment.

21 b. Individual PAGA Payments. Individual PAGA Payments will be calculated
22 and apportioned from the 25% portion of the PAGA Settlement Amount approved for
23 distribution by the Court (which is expected to be \$17,500.00) based on the number of
24 Workweeks worked during the Class Period. The 25% portion of the PAGA Settlement
25 Amount approved for distribution to the PAGA Employees by the Court shall be divided
26 by the total number of Workweeks worked by all PAGA Employees and multiplied by
27 the Workweeks of each PAGA Employee to determine his or her Individual PAGA
28 Payment.

1 6. Each Participating Class Member, including Plaintiff, will be responsible for
2 the payment of their employee share of payroll taxes. The portion of the Individual Settlement
3 Payment attributable to wages will be subject to the employees' share of payroll taxes, contributions,
4 and withholdings. The Settlement Administrator's determination of eligibility for, and the amounts
5 of, any settlement payments under this Settlement Agreement shall be conclusive, final, and binding
6 on all parties, including all Class Members.

7 7. Any settlement checks paid to Participating Class Members and/or PAGA
8 Employees will remain valid and negotiable for one hundred eighty (180) calendar days from the
9 date of their issuance after which they will become stale ("Check Stale Date") and shall automatically
10 be cancelled if not cashed or deposited by Participating Class Members or PAGA Employees within
11 that time. Any funds remaining in the Settlement Fund Account as a result of Participating Class
12 Members' failure to cash or deposit their checks by the Check Stale Date, shall be transmitted in the
13 names and respective amounts of the checks that are cancelled, to the Controller of the State of
14 California to be held pursuant to the Unclaimed Property Law, California Civil Code section 1500
15 *et seq.*, for the benefit of those Participating Class Members and PAGA Employees whose checks
16 were cancelled, until such time that they claim their property. Defendants will not be required to pay
17 any interest on said amount. The Parties agree that this disposition results in no "unpaid residue"
18 under California Code of Civil Procedure section 384, as the entire Net Settlement Amount will be
19 paid out to Participating Class Members, whether or not they cash or deposit their settlement checks.

20 8. The Settlement Administrator shall prepare any and all reports and/or
21 declarations regarding the distribution of funds under the Settlement, as ordered by the Court. The
22 Settlement Administrator shall also undertake amended and/or supplemental tax filings and
23 reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the
24 cancellation of any settlement checks. To the extent that the Settlement Administrator is able to
25 obtain or receive the return or refund of the amounts that were transmitted to taxing authorities for
26 the employer's and employee's share of payroll taxes, contributions, and withholdings associated
27 with cancelled Individual Settlement Payments, these amounts shall be transmitted to the Controller
28 of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code

1 section 1500 *et seq.*, along with the funds associated with cancelled settlement checks.

2 9. Notwithstanding the above, within fourteen (14) calendar days after the
3 disbursement of all funds as set forth in Section V.H.4, the Settlement Administrator will serve on
4 the Parties a declaration providing a final report on the disbursements of all funds.

5 10. Plaintiff and Class Members will be solely responsible for the reporting and
6 payment of any state, local, and/or federal income tax, if any, on the amounts paid to them under the
7 Settlement. If it is determined that any taxes are due in connection with any amount paid under the
8 Settlement, Plaintiff and Class Members will be solely responsible for all liability for taxes and any
9 costs, fees, interest, assessments, penalties, damages, or other losses due to such a determination. No
10 payments made under this Settlement Agreement will have an effect on any employee pension
11 benefit plan or employee welfare benefit plan sponsored by Defendants.

12 11. No Credit Toward Benefit Plans. The Individual Settlement Payments made
13 to Participating Class Members and the Individual PAGA Payments made to PAGA Employees
14 under this Settlement Agreement, as well as any other payments made pursuant to this Agreement,
15 shall not be utilized to calculate any additional benefits under any benefit plans to which any Class
16 Members or PAGA Employees may be eligible, including, but not limited to: welfare plans, benefit
17 plans, ERISA plans, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation
18 plans, sick leave plans, PTO plans, and any other welfare or benefit plan.

19 **VI. DUTIES OF THE PARTIES**

20 A. Mutual Cooperation. The Parties agree to cooperate to accomplish and implement
21 the terms of this Joint Stipulation. Such cooperation will include, but not be limited to, execution of
22 such other documents and taking such other actions as may reasonably be necessary to fulfill the
23 terms of this Joint Stipulation. The Parties will use their reasonable best efforts, including all efforts
24 contemplated by this Joint Stipulation and any other efforts that may become necessary by court
25 order, or otherwise, to effectuate this Joint Stipulation and the terms set forth herein. As soon as
26 practicable after execution of this Joint Stipulation, Class Counsel, with the cooperation of
27 Defendants and their counsel, will try to secure Preliminary Approval and Final Approval.

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1 B. **Duty to Support and Defend the Settlement.** The Parties agree the settlement is fair
2 and reasonable and will so represent to the Court. In addition, the mediator (Steven J. Serratore) may
3 execute a declaration supporting the settlement, and the Court may contact the mediator to discuss
4 the settlement and whether or not it is fair and reasonable. The Parties agree to abide by all terms of
5 the Joint Stipulation in good faith and to support the Joint Stipulation fully, and to use their best
6 efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.
7 Plaintiff agrees to take all steps necessary to implement and effectuate the Settlement.

8 **VII. MISCELLANEOUS PROVISIONS:**

9 1. **Interim Stay of Proceedings.** Plaintiff and Defendants agree to the stay of all
10 proceedings in the Litigation, including with respect to California Code of Civil Procedure section
11 583.310, except such proceedings necessary to implement and complete the Settlement, pending final
12 approval of the Settlement by the Court.

13 2. **Revocation of Settlement Agreement.** Notwithstanding any other provision included
14 herein, the Parties agree that Defendants retain the right, in the exercise of their sole discretion, to
15 nullify the Settlement within 30 calendar days after expiration of the opt-out period if five percent
16 (5%) or more of the Class Members opt out of the Settlement and/or if the combined workweeks
17 worked by Class Members who timely exclude themselves amounts to more than five percent (5%)
18 of the total workweeks worked by all Class Members.

19 3. **Administration Costs if Settlement Fails or is Delayed.** If an objection to the
20 Settlement Agreement is filed with the Court, regardless of the ultimate outcome of any appeals
21 taken, or if the Settlement is voided, delayed, or rescinded, any costs incurred by the Settlement
22 Administrator shall be paid equally by the Parties (half by Class Counsel and half by Defendants),
23 unless otherwise specified in this Agreement.

24 4. **No Prior Assignments.** The Parties and their counsel represent, covenant, and warrant
25 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
26 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
27 cause of action, or right herein released and discharged.

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1 5. Nullification of Settlement Agreement. In the event that (i) the Court does not finally
2 approve the Settlement as provided herein, or (ii) the Settlement does not become final for any other
3 reason, then this Settlement Agreement, and any documents generated to bring it into effect, shall be
4 null and void. Any order or judgment entered by the Court in furtherance of this Settlement
5 Agreement shall likewise be treated as void from the beginning.

6 6. Continued Jurisdiction. Upon final approval of the Settlement by the Court or after
7 the Final Approval/Settlement Fairness Hearing, the Court shall have continuing jurisdiction solely
8 for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b)
9 settlement administration matters; and (c) such matters as may be appropriate under Court rules or
10 as set forth in this Agreement.

11 7. Exhibits Incorporated by Reference. The terms of this Agreement include the terms
12 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
13 herein. Any Exhibits to this Agreement are an integral part of the Settlement.

14 8. Confidentiality. The Parties will not make any public disclosures of any kind
15 regarding the Settlement, including but not limited to postings on Class Counsel's website and
16 postings on any social media sites/outlets. Class Counsel will take all steps necessary to ensure the
17 Class Representative is aware of, and will encourage her to adhere to, the restriction against any
18 public disclosures regarding the Settlement or this Settlement Agreement. Class Counsel will not
19 include or use the Settlement for any marketing or promotional purposes, or for attempting to
20 influence Defendants' business relationships, either before or after the Motion for Preliminary
21 Approval is filed. Following preliminary approval of the Settlement, the Class Representatives and
22 Class Counsel will not initiate any communications with the media or third parties. If contacted by
23 the media or third parties, Class Counsel will only discuss information publicly available. Class
24 Counsel will take all steps necessary to ensure the Class Representatives are aware of, and will
25 encourage them to adhere to, the restriction against initiating any media comment. Class Counsel
26 further agrees not to use the Settlement or any of its terms for any marketing or promotional purposes.
27 Nothing herein will restrict Class Counsel from including publicly available information regarding
28 this settlement in future judicial submissions regarding Class Counsel's qualifications and

1 experience. This paragraph does not restrict Class Counsel's communications with Class Members
2 in accordance with Class Counsel's ethical obligations owed to Class Members.

3 9. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute
4 the entirety of the Parties' settlement terms as it relates to the Released Claims.

5 10. Amendment or Modification. This Settlement Agreement may be amended or
6 modified only by a written instrument signed by counsel for all Parties or their successors-in-interest
7 and approved by the Court. Notwithstanding the above, before the Settlement Agreement has been
8 submitted to the Court in connection with seeking preliminary approval of the Settlement, the
9 Settlement Agreement may be amended or modified only by a written instrument signed by counsel
10 for all Parties or their successors-in-interest

11 11. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
12 represent they are expressly authorized by the Parties whom they represent to negotiate this
13 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
14 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
15 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
16 counsel will cooperate with each other and use their best efforts to effect the implementation of the
17 Settlement. If the Parties are unable to reach agreement on the form or content of any document
18 needed to implement the Settlement, or on any supplemental provisions that may become necessary
19 to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve
20 such disagreement.

21 12. Binding on Successors and Assigns. This Settlement Agreement shall be binding
22 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

23 13. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
24 shall be governed by and interpreted according to the laws of the State of California.

25 14. Execution and Counterparts. This Settlement Agreement is subject only to the
26 execution of all Parties. However, the Agreement may be executed in one or more counterparts. All
27 executed counterparts and each of them, including facsimile and scanned copies of the signature
28 page, shall be deemed to be one and the same instrument provided that counsel for the Parties shall

1 exchange among themselves original signed counterparts. Electronically generated signatures (e.g.,
2 DocuSign signatures) shall have the same legal effect as an ink signature and shall be valid and fully
3 enforceable.

4 15. Acknowledgement that the Settlement is Fair, Adequate, Reasonable, and Advances
5 the Policies Underlying PAGA. The Parties believe this Settlement Agreement is a fair, adequate,
6 and reasonable settlement of the Action and have arrived at this Settlement after arm's-length
7 negotiations and in the context of adversarial litigation, taking into account all relevant factors,
8 present and potential. The Parties also believe this Settlement Agreement advances the public policy
9 underlying PAGA. The Parties further acknowledge that they are each represented by competent
10 counsel and that they have had an opportunity to consult with their counsel regarding the fairness
11 and reasonableness of this Agreement.

12 16. Invalidity of Any Provision. Before declaring any provision of this Settlement
13 Agreement invalid, the Court shall first attempt to construe the provision as valid to the fullest extent
14 possible consistent with applicable precedents so as to define all provisions of this Settlement
15 Agreement valid and enforceable.

16 17. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees to sign this Settlement
17 Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein. For
18 good and valuable consideration, Plaintiff further agrees that she shall not request to be excluded
19 from the Settlement Agreement. Any such request for exclusion by Plaintiff shall be void and of no
20 force or effect. Efforts by Plaintiff to circumvent the terms of this paragraph shall be void and of no
21 force or effect.

22 18. Appeals. Either party may appeal any court order that materially alters the Settlement
23 Agreement's terms. Class Counsel and Plaintiff, however, waive any appeal of any reduction in the
24 Class Counsel Attorney Fee Award or Plaintiff's Incentive Award below the amount requested from
25 the Court, so long as the Court awards at least 25% of the Gross Settlement Amount as an Attorney
26 Fee Award. If less than 25% of the Gross Settlement Amount is awarded as an Attorney Fee Award,
27 Class Counsel may appeal the amount of that award.

28 ///

19. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class action certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either (i) a class action should be certified, or (ii) Defendants are liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

20. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant I.K Hofmann USA Inc.: Chad D. Bernard of Jackson Lewis, P.C, 725 South Figueroa Street, Suite 2500, Los Angeles, California 90017; chad.bernard@jacksonlewis.com

if to Defendant Lufthansa Cargo
Aktiengesellschaft

Jason Barsanti and Brett Greving of Cozen
O'Connor, 501 W. Broadway, Suite 1610,
San Diego, California 92101;
jbarsanti@cozen.com; bgreving@cozen.com

if to Plaintiff: Kane Moon, H. Scott Leviant, and Mariam Ghazaryan of Moon & Yang, APC, 1055 W. Seventh St., Suite 1880, Los Angeles, California 90017; kane.moon@moonyanglaw.com; scott.leviant@moonyanglaw.com ; and mariam.ghazaryan@moonyanglaw.com.

21. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that they have violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged

1 in any other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its
2 terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission
3 or concession by Defendants of any such violations or failures to comply with any applicable law.
4 Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its
5 terms and provisions shall not be offered or received as evidence in any action or proceeding to
6 establish any liability or admission on the part of Defendants or to establish the existence of any
7 condition constituting a violation of, or a non-compliance with, federal, state, local, or other
8 applicable law.

9 22. Captions. The captions and section numbers in this Agreement are inserted for the
10 reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the
11 provisions of this Agreement.

12 23. Waiver. No waiver of any condition or covenant contained in this Agreement or
13 failure to exercise a right or remedy by any of the Parties hereto shall be considered to imply or
14 constitute a further waiver by such party of the same or any other condition, covenant, right, or
15 remedy.

16 24. Enforcement Actions. In the event that one or more of the Parties institutes any legal
17 action or other proceeding against any other Party or Parties to enforce the provisions of this
18 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
19 Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees
20 and costs, including expert witness fees incurred in connection with any enforcement actions.

21 25. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
22 conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly
23 against one party than another merely by virtue of the fact that it may have been prepared by counsel
24 for one of the Parties, it being recognized that, because of the arm's-length negotiations between the
25 Parties, all Parties have contributed to the preparation of this Agreement.

26 26. Representation by Counsel. The Parties acknowledge that they have been represented
27 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this
28 Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class

1 Counsel warrant and represent that there are no liens on the Settlement Agreement.

2 27. All Terms Subject to Final Court Approval. All terms described in this Settlement
3 Agreement herein shall be subject to final Court approval.

4 28. Cooperation and Execution of Necessary Documents. All Parties shall cooperate in
5 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of
6 this Settlement Agreement.

7 29. Binding Agreement. The Parties warrant that they understand and have full authority
8 to enter into this Agreement, and further intend that this Agreement shall be fully enforceable and
9 binding on all Parties, and agree that it shall be admissible and subject to disclosure in any proceeding
10 to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might
11 apply under federal or state law.

12
13 **IT IS SO AGREED:**

14
15 [Signatures on next page]
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25
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27
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1 Date: 2/1/2023, 2023

DocuSigned by:
Victoria Wilson
Victoria Wilson 8886DE6841A241D...

2
3
4 Date: _____, 2023

I.K. Hofmann USA, Inc.
Name:
Title:

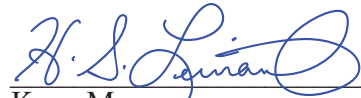
5
6
7
8 Date: _____, 2023

Lufthansa Cargo Aktiengesellschaft.
Name:
Title:

9
10
11
12 **APPROVED AS TO FORM:**

13
14
15
16 Date: February 1, 2023

MOON & YANG, APC


Kane Moon
H. Scott Leviant
Mariam Ghazaryan
Counsel for Plaintiff Victoria Wilson

17
18
19
20
21 Date: February 1, 2023

JACKSON LEWIS P.C.


Chad D. Bernard
Counsel for Defendant I.K. Hofmann USA, Inc.

22
23
24
25 Date: _____, 2023

COZEN O'CONNOR

26
27
28
Jason Barsanti
Brett Greving
Counsel for Defendant Lufthansa Cargo
Aktiengesellschaft

4853-8996-6918, v. 1

1 Date: _____, 2023

Victoria Wilson

4 Date: February 7, 2023


I.K. Hofmann USA, Inc.

Name: Paul A. Decker

Title: CEO

8 Date: _____, 2023

Lufthansa Cargo Aktiengesellschaft.

Name:

Title:

12 **APPROVED AS TO FORM:**

14 **MOON & YANG, APC**

16 Date: _____, 2023

Kane Moon
H. Scott Leviant
Mariam Ghazaryan
Counsel for Plaintiff Victoria Wilson

20 **JACKSON LEWIS P.C.**

21 Date: February 1, 2023



Chad D. Bernard
Counsel for Defendant I.K. Hofmann USA, Inc.

24 **COZEN O'CONNOR**

25 Date: _____, 2023

Jason Barsanti
Brett Greving
Counsel for Defendant Lufthansa Cargo
Aktiengesellschaft

28 4853-8996-6918, v. 1

1 Date: _____, 2023

Victoria Wilson

4 Date: _____, 2023

I.K. Hofmann USA, Inc.

Name:

Title:

8 Date: Feb. 1, 2023



Lufthansa Cargo Aktiengesellschaft.

Name: **Stephanie Abeler**

Title: **VP Americas Lufthansa Cargo**

12 **APPROVED AS TO FORM:**

14 **MOON & YANG, APC**

16 Date: _____, 2023

Kane Moon

H. Scott Leviant

Mariam Ghazaryan

Counsel for Plaintiff Victoria Wilson

20 **JACKSON LEWIS P.C.**

21 Date: February 1, 2023



Chad D. Bernard

Counsel for Defendant I.K. Hofmann USA, Inc.

24 **COZEN O'CONNOR**

25 Date: February 7, 2023



Jason Barsanti

Brett Greving

Counsel for Defendant Lufthansa Cargo
Aktiengesellschaft

28 4853-8996-6918, v. 1

Exhibit “A”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Victoria Wilson v. I.K. Hofmann USA, Inc., et al., Los Angeles County Superior Court Case No. 21STCV24628

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) against defendants I.K. HOFMANN USA INC. (“I.K. Hofmann”) and LUFTHANSA CARGO AKTIENGESSELLSCHAFT (“Lufthansa”) (I.K. Hofmann and Lufthansa are “Defendants”)¹ for alleged wage and hour violations. The Action was filed by a former employee of I.K. Hofmann, Victoria Wilson (“Plaintiff”), and seeks payment of (1) back wages and other relief for a class of hourly non-exempt employees (“Class Members”) who were employed by Lufthansa or I.K. Hofmann in California during the Class Period (July 2, 2017, through January 15, 2023); and, (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly non-exempt employees who worked for Defendants in California during the PAGA Period (July 26, 2020, through January 15, 2023) (the “PAGA Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Settlement Payments to Class Members, and (2) a PAGA settlement requiring Defendants to fund a PAGA Settlement Amount and pay Individual PAGA Payments to PAGA Employees and penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, and the Parties’ current assumptions, your Individual Settlement Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for such a payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that you worked [REDACTED] workweeks during the Class Period, and you worked [REDACTED] pay periods during the PAGA Period. If you believe that you worked more workweeks or pay periods during either of the respective periods, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and PAGA Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Settlement Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Opt-Out Request or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Settlement Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are a PAGA Employee, remain eligible for an individual share of the Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

¹ All key terms herein are further defined in the Parties’ JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Settlement Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will no longer be a Class Member and no longer eligible for an Individual Settlement Payment. Non-participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all PAGA Employees and the PAGA Employees must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement except with respect to the PAGA Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and the Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on . You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by	The amount of your Individual Settlement Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period, and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of I.K. Hofmann and alleged that she was also employed by Lufthansa. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum and straight time wages, wages due upon termination, failing to reimburse business expenses, and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA Claims"). Plaintiff is represented by attorneys in the Action: Moon & Yang, APC ("Class Counsel.")

Defendants deny all liability arising from the Action and are confident they have strong legal and factual defenses to Plaintiff's claims. Defendants contend that, at all relevant times, Defendants properly compensated all employees and fully complied with all applicable laws. Defendants also deny the Action is appropriate to maintain as a class or representative action. Lufthansa denies that it employed Plaintiff.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator, Steven J. Serratore, to resolve the Action by negotiating and to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated

a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant will Pay \$400,000.00 as the Gross Settlement Amount (GSA). Defendants have agreed to deposit the GSA into an account controlled by the Administrator of the Settlement. The Administrator will use the GSA to pay the Individual Settlement Payments, Individual PAGA Payments, the Plaintiff's Incentive Award, Class Counsels' Attorneys' Fees and Litigation Costs, Settlement Administration Costs, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the GSA not more than 15 days after the Judgment entered by the Court become final. The Judgment will be final when the Court enters Judgment and 65 days have passed, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from GSA. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the GSA, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to \$133,320.00 (33.33% of the GSA) to Class Counsel for attorneys' fees and up to \$18,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$5,000.00 for the Class Representative Incentive Award for filing the Action, working with Class Counsel and representing the Class.
- C. Up to \$10,000.00 to the Administrator for services administering the Settlement.
- D. \$70,000.00 for PAGA Penalties, allocated 75% to the LWDA (\$52,500.00) and 25% in Individual PAGA Payments (\$22,500.00) to the PAGA Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the GSA (the "Net Settlement") by making Individual Settlement Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 10% of each Individual Settlement Payment to taxable wages ("Wage Portion") and 90% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report any individual share of the PAGA Payment and the Non-Wage Portions of the Individual Settlement Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Settlement Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the Controller of the State of California to be held pursuant to the Unclaimed Property Law in your name.

6. Requests for Exclusion from the Class Settlement (Opt-Out Request). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The Opt-Out Request must (a) contain the full name, address, telephone number, last four (4) digits of the Social Security Number, and signature of the person requesting exclusion; (b) contain a clear statement indicating that the person wishes to exclude himself or herself from the Settlement, and referencing the Action by name and/or case number; and (c) be postmarked no later than the [REDACTED] Response Deadline. Excluded Class

Members (i.e., Non-participating Class Members) will not receive Individual Settlement Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class (Non-participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA Claims against Defendants based on the alleged PAGA violations in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Opt-Out Requests. The Administrator will also decide Class Member Challenges over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks to administer the Settlement. The Administrator’s contact information is in Section 9 below.

9. Participating Class Members’ Release. Upon the Date of Finality, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against Defendants or their related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members’ Releases are as follows:

Any and all claims, rights, demands, liabilities, and causes of action based on the same set of operative facts as those set forth in the operative Complaint, including but not limited to claims based on the following categories of allegations: all claims under state, federal or local law, whether statutory, common law or administrative law, arising out of or related to allegations set forth in the operative Complaint, claims for failure to pay all minimum wages, failure to pay overtime wages, failure to pay overtime wages at the regular rate of pay, failure to provide meal periods, failure to provide rest periods, failure to furnish accurate wage statements, failure to pay all wages earned, failure to maintain required records, failure to pay earned wages upon termination or discharge, failure to pay paid sick leave, failure to reimburse business expenses, unfair competition, including, but not limited to, claims for injunctive relief, punitive damages, liquidated damages, penalties of any nature, interest, fees, including fees under California Code of Civil Procedure section 1021.5; costs; and all other claims and allegations, whether known or unknown, that were made or could have been made in the Action based on the facts and allegations pled in the operative Complaint, from July 2, 2017, through January 15, 2023.

10. PAGA Employees’ PAGA Release. Upon the date of finality, all PAGA Employees will be barred from asserting PAGA Claims against the Released Parties, including Defendants, whether or not they exclude themselves from the Settlement. This means that all PAGA Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The PAGA Employees’ Releases for Participating and Non-Participating Class Members are as follows:

All claims, demands, rights, liabilities and causes of action under California Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698 et seq.) alleged in the letter to the Labor & Workforce Development Agency dated July 26, 2021 (i.e., the PAGA Letter), based on the factual allegations in the operative Complaint, that arose during the PAGA Period including but not limited to the following claims for civil penalties: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (e) failure to timely pay all wages due upon separation of employment; (f) failure to issue accurate, itemized wage statements based on the foregoing Labor Code violations, Labor Code §§ 201, 202, 203, 226(a), 226.7, 510, 512, 1194, 1197, 1197.1; 1198, 2800, and 2802, and the applicable Wage Orders.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Settlement Payments. The Administrator will calculate Individual Settlement Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

3. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$30,000.00 by the total number of PAGA Pay Periods worked by all PAGA Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Employee.

4. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Class Members) and Defendants' Counsel.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., Class Members who don't opt-out) and all Class Members who qualify as PAGA Employees, whether they opt out or not. The single check will combine the Individual Settlement Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual share of the PAGA Payment check to every PAGA Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member who is eligible as an Aggrieved Employee).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

The easiest way to request exclusion is to send a written and signed Opt-Out Request by the [REDACTED] Response Deadline. The Opt-Out Request must (a) contain the full name, address, telephone number, last four (4) digits of the Social Security Number, and signature of the person requesting exclusion; (b) contain a clear statement indicating that the person wishes to exclude himself or herself from the Settlement, and referencing the Action by name and/or case number; and (c) be postmarked no later than the [REDACTED] Response Deadline. Excluded Class Members (i.e., Non-participating Class Members) will not receive Individual Settlement Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the proposed Settlement may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. The objection must: (a) contain the objecting Class Member's full name, address, telephone number, last four digits of his or her Social Security number, and signature; (b) contain the words "Notice of Objection" or "Formal Objection"; (c) contain the case name and number of the Action; (d) a clear and concise statement, including factual and legal arguments, explaining his or her objection(s) to the Settlement; (e) contain a statement indicating whether or not the Class Member is represented by counsel and identifying any such legal counsel; (f) contain a statement indicating whether the Class Member intends to appear at the Final Approval Hearing to present his or her objection(s); (g) list any witnesses the objecting Class Member may call to testify at the Final Approval Hearing; and (h) be filed with the Court and submitted to the Settlement Administrator no later than the Response Deadline. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally hire a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 6 of the Los Angeles Superior Court, located at 312 N. Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the GSA will be paid to Class Counsel, Plaintiff, and

the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>.) Check the Court's website for the most current information.

If you intend to appear at the Final Approval Hearing, please check the Court's website for the most current requirements for masks and social distancing. The most recent Order of the Los Angeles Superior Court can be found at <https://www.lacourt.org/newsmedia/uploads/14202232517164722NRFACEMASKS.pdf>. Updated information may be available at <https://www.lacourt.org/>. Currently, face masks are recommended but not required.

It's possible the Court will reschedule the Final Approval Hearing. You should contact Class Counsel to verify the date and time of the Final Approval Hearing if you are planning to attend the hearing or have your own lawyer attend.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <http://www.lacourt.org/casesummary/ui/index.aspx> and entering the Case Number for the Action, 21STCV24628. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

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Settlement Administrator:

Name of Company: ILYM Group, Inc.
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or change your mailing address.

**PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANTS' COUNSEL FOR INFORMATION
REGARDING THIS SETTLEMENT OR THE SETTLEMENT PROCESS**