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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF KERN**
11 **(UNLIMITED JURISDICTION)**

12 JEFFREY TREJO,

13 *Plaintiff,*

14 vs.

15 STRATOLAUNCH, LLC and DOES 1 to
16 25, inclusive,

17 *Defendants.*

Case No.: BCV-22-101385

18 **DECLARATION OF HAROUT**
19 **MESSRELIAN IN SUPPORT OF**
20 **PLAINTIFF'S MOTION FOR APPROVAL**
21 **OF PAGA SETTLEMENT AND RELEASE**

Action filed: June 6, 2022

Hearing Date: November 8, 2022

Hearing Time: 8:30a.m.

Hearing Dept: H, Hon. Bernard C. Barmann
JR

**DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF
PLAINTIFF'S MOTION FOR APPROVAL OF PAGA SETTLEMENT AND RELEASE**

I, HAROUT MESSRELIAN, declare and state as follows:

1. I am an attorney duly licensed to practice before all the Courts of the State of California. I am the managing attorney of Messrelian Law Inc. and the attorney of record for Jeffrey Trejo (individually, "Trejo" or "Plaintiff") in his lawsuit against Defendant Stratolaunch, LLC ("Stratolaunch" or "Defendant").

2. I am experienced in handling employment law matters and specifically wage and hour representative and individual actions. My qualifications are as follows: I received my JD from Loyola Law School in 2010. I started my own law firm in 2011 – the Law Offices of Harout Messrelian. Since 2016, I have been the founder and principal attorney at Messrelian Law, Inc. Since 2011, I have filed and handled over 400 civil actions and/or claims involving representative actions under the Private Attorneys General Act ("PAGA") and/or wage and hour claims on behalf of my clients. I have a practice that encompasses cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the Riverside County Superior Courts, the San Bernardino County Superior Courts, and as of recent, cases in Northern California, including Alameda County Superior Courts, Santa Clara County Superior Courts, Monterey County Superior Courts, and San Mateo County Superior Courts.

3. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath.

4. A true and correct copy of the Settlement Agreement and Release of PAGA Claims (the "Settlement or "Agreement") is attached hereto as **Exhibit 1**. A true and correct copy of the parties agreed upon notice to the below-defined PAGA Settlement Members (the "PAGA Notice") is attached hereto as **Exhibit 2**.

Factual and Procedural Background

5. Stratolaunch designs, manufactures, and launches aerospace vehicles and technologies. Plaintiff first started working for Stratolaunch in or around August of 2020 as a

1 “Composite Fabricator”. His employment ended on or around June 2021. At all times during
2 his employment with Defendant, Plaintiff was considered an hourly, non-exempt employee

3 6. Plaintiff complied with the procedures of Labor Code § 2699.3 for bringing suit
4 under the Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq.
5 (“PAGA”). On July 1, 2021, Plaintiff, on behalf of himself and Defendant’s other California non-
6 exempt or hourly paid employees (hereafter collectively the “PAGA Settlement Members”) gave
7 written notice by electronic service to the California Labor and Workforce Development Agency
8 (“LWDA”) and via certified mail to Defendant of his claims against Stratolaunch. In his notice
9 to the LWDA, Plaintiff asserted on behalf of himself and the PAGA Settlement Members that
10 Defendant (1) failed to pay for all hours worked, including but not limited to, minimum wages
11 and overtime (California Labor Code sections 510, 1194, 1197, 1197.1); (2) failed to provide all
12 required timely and duty-free meal and rest periods (California Labor Code sections 226.7 and
13 512); (3) failed to pay wages owed every pay period (California Labor Code section 204); (4)
14 failed to provide accurate, itemized wage statements (California Labor Code section 226a); (5)
15 failed to pay all wages owed at the end of employment (California Labor section 203); (6) failed
16 to maintain accurate records (California Labor Code section 1174d); and (7) failed to reimburse
17 business expenses (California Labor Code sections 2800 and 2802). A true and correct copy of
18 Plaintiff’s letter to the LWDA is attached as **Exhibit 3**.

19 7. Prior to Plaintiff commencing a civil action against Defendant, the parties met
20 and conferred and agreed that it may be in their mutual interests to discuss Plaintiff’s allegations
21 informally, rather than through litigation, and scheduled private mediation.

22 8. On March 17, 2022, the parties attended a full day mediation session with Henry
23 Bongiovi, Esq. At the mediation, the parties agreed to settle Plaintiff’s PAGA Claim for
24 violation of Labor Code § 2698, et seq. Before agreeing to the terms of the Settlement, the
25 Parties engaged in informal discovery regarding Defendant’s policies, practices, operations,
26 time and payroll information and other topics. In advance of mediation, Defendant produced
27 Plaintiff’s personnel file, including time and payroll data. Moreover, prior to the mediation,
28 Defense counsel provided Plaintiff’s counsel with information and documents relating to other

1 PAGA Settlement Members, including time and payroll data through data sampling. Through
2 extensive arm's length negotiations at the mediation and only after discovery and investigation
3 were performed, the Parties agreed to settlement terms. Now that the parties have finalized the
4 PAGA Settlement, Plaintiff submits it to this Court for approval.

5 9. Counsel for the Parties have further investigated the applicable law as applied to
6 the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code
7 violations claimed by Plaintiff. I am experienced in prosecuting PAGA lawsuits. Counsel for
8 the Defendant are experienced in defending PAGA cases. Based on the parties' own independent
9 investigations and evaluations, the parties and their respective counsel are of the opinion that
10 the Settlement for the consideration and on the terms set forth in the Agreement are fair,
11 reasonable and adequate and are in the best interests of Plaintiff, the PAGA Settlement
12 Members, the State, and Defendant in light of all known facts and circumstances and the risks
13 inherent in litigation, especially in this post pandemic era, where businesses are struggling to
14 remain afloat, much less prosper and make a large profit.

15 10. The Settlement of a PAGA claim requires court approval. Lab. Code §2699(1)(2).
16 The Court necessarily has broad discretion in making the decision to approve or reject a
17 settlement for civil penalties as the statutory scheme authorizes the Court to determine whether,
18 in certain circumstances, penalties should be assessed and, if so assessed, the appropriate amount
19 of penalties based on the facts and circumstances of the particular case. Although the PAGA
20 does not set forth the particular standards against which a PAGA settlement should be evaluated,
21 the LWDA has provided guidance for approval that mirrors the standards for evaluating class
22 action settlements.

23 11. PAGA imposes two requirements for the settlement of a PAGA claim. Both are
24 met here. First, any civil penalties recovered, whether by judgment or settlement, must be
25 distributed as follows: 75 percent to the LWDA, and the remaining 25 percent to the PAGA
26 Settlement Members. *See Moorero v. Noble L.A. Events, Inc.* (2019) 32 Cal.App.5th 736, 742;
27 Cal. Lab. Code, § 2699(i). The parties' Settlement so provides (*See Exhibit 1*). Second, the
28 LWDA must be given notice of the settlement so that it may be heard before the Court decides

1 whether to grant approval. Cal. Lab. Code § 2699(1)(2). Here, notice is being given to the LWDA
2 concurrently with the filing of this motion. A true and correct copy of Plaintiff's submission with
3 the LWDA and a confirmation email is attached as **Exhibit 9**. As a result, Plaintiff has met all
4 procedural statutory requirements for settling a PAGA action.

5 12. Upon reaching a settlement, Plaintiff filed his lawsuit in this Court on June 6,
6 2022 with a single representative claim for civil penalties under the PAGA (California Labor
7 Code § 2698, *et seq.*) against Defendant so that Plaintiff may pursue the present motion for
8 approval of the Parties' Agreement. A true and correct copy of Plaintiff's Complaint filed on
9 June 6, 2022 is attached hereto as **Exhibit 4**.

10 13. Defendant denies any liability or wrongdoing of any kind whatsoever associated
11 with the lawsuit. It is the desire of the Parties to fully, finally, and forever compromise, and
12 discharge all claims known or unknown related to those alleged in Plaintiff's lawsuit.

13 14. The PAGA Settlement warrants a presumption of fairness for several reasons:
14 (1) The parties reached the Settlement through arm's-length bargaining with the aid of a
15 respected mediator; (2) The parties conducted sufficient investigation and discovery to allow
16 Counsel and the Court to act intelligently. Plaintiff requested and Defendant provided the total
17 number of PAGA Settlement Members, the number of total pay periods during the PAGA
18 Release Period, all policies in effect during the PAGA Release Period, and a sampling of time
19 records; and (3) Counsel for the Parties are experienced with PAGA cases. Moreover, neither
20 Plaintiff nor I have any conflicts of interest with the absent of and there are no issues of
21 ascertainability.

22 15. I considered various sources of information in the lead-up to the mediation of
23 March 17, 2022 that enabled Plaintiff to achieve the Settlement at issue. Among other things,
24 Plaintiff considered the following:

- 25 • Defendant produced and my staff and I reviewed Plaintiff's personnel file.
- 26 • My office requested that Defendant provide any and all policies regarding overtime and
27 double-time wages, expense reimbursement, meal periods, rest breaks, meal period
28 waivers and agreements, compensation plans, and complaints about working conditions
in effect during the relevant time period beginning in July of 2020. Defendant produced

1 those policies as part of their employee handbook. They are largely consistent with the
2 Wage Order (No. 4) and the Labor Code.

- 3 • My office requested that Defendant provide the total number of employees, paychecks,
4 and the pay cycles during the relevant period. Defendant provided the answers to each
5 of these questions.
- 6 • My office requested sample of time and payroll records for the relevant time period.
7 Defendant provided a sampling of time and pay records for 24 of its employees. This
8 represents approximately 17% of the total employees that Defendant employed during
9 the PAGA Release Period based on data available at the time of mediation.
- 10 • My office then retained a professional data analyst, James Toney, to examine the records
11 and determine the meal period violation rates, if there was any pay discrepancy in
12 timesheet hours versus paid hours, and if there was any rounding/time shaving issues.
13 Plaintiff is prepared to provide the Court with the data analysis for *in camera* inspection
14 upon its request.
- 15 • I analyzed the state of caselaw on PAGA claims, meal and rest break violations,
16 overtime/alternative work week schedules, and business expense reimbursement,
17 especially as it relates to “manageability” arguments brought up by the defense.

18 16. Before mediation, Defendant disclosed that for the period of July 1, 2020 to March
19 17, 2022, there were approximately 145 PAGA Settlement Members and 3,238 pay periods.

20 17. Under the civil penalty formulas applicable under PAGA, Plaintiff estimated a
21 maximum potential exposure of approximately \$126,750 for civil penalties for what Plaintiff
22 contends are Plaintiff’s strongest disputed claims for unprovided meal and rest periods. Plaintiff’s
23 analysis, which Defendant vehemently denies, revealed a 26.1% violation rate for either short,
24 late, or no meal periods for shifts that were over 5 hours long. With a 26.1% violation rate, the
25 maximum civil penalties for meal period violations would be approximately \$42,250 [845 pay
26 periods (26.1% of 3,238 total pay periods) x \$50 penalty]. As far as the claim for rest breaks,
27 since Defendant did not keep track of rest periods, Plaintiff extrapolated the same 26.1% meal
28 period violation rate and attributed that to rest periods. As such, with a 26.1% violation rate, the
maximum civil penalties for rest break violations would be approximately \$84,500 [845 pay
periods x \$100 penalty].

18 18. I am unaware of any California State court decision awarding a plaintiff and the
other aggrieved employees he represents multiple civil penalties for the same pay period under

1 different Labor Code provisions. As such, one of the risks Plaintiff faces is that the Court would
2 refuse to “stack” civil penalties arising under the various Labor Code statutes. Furthermore,
3 judges have awarded extremely small sums to PAGA claimants in the past. In addition,
4 Defendant would make an argument that at the time of mediation in March of 2022, under
5 *Naranjo v. Spectrum Security Services, Inc.*, 40 Cal App5th 444 (Cal. App. 2d Dist., Sept. 26,
6 2019) and other similar cases, that meal period or rest period violations are not a predicate for
7 civil penalties for improper wage statements and untimely final wages under Labor Code
8 Sections 201-203, 226, 223.6, and 2699.

9 19. There are risks to Plaintiff’s meal and rest break claims. Defendant provided
10 evidence that it provides employees with the opportunity to take meal and rest breaks and that it
11 had valid second meal break waivers in place. Stratolaunch’s Employee Handbook contains
12 legally compliant meal period and rest break policies. Additionally, unlike meal periods, where
13 there are often records showing whether an employee clocked out or not, there is no such
14 evidence to prove a missed rest period or that the employer refused to authorize and permit one

15 20. There are risks to Plaintiff’s claim for overtime wages. Prior to mediation,
16 Defendant provided evidence that all its non-exempt employees worked pursuant to a 9/80
17 Alternative Workweek Schedule.

18 21. There are risks to Plaintiff’s claim for unreimbursed expenses. Plaintiff alleges
19 that Defendant did not reimburse him or the other PAGA Settlement Members for use of their
20 own personal cell phones and their own tools. Defendant provided evidence at mediation that
21 Stratolaunch paid the PAGA Settlement Members two times the minimum wage, and as such,
22 the PAGA Settlement Members did not need to be reimbursed for their tools expenses. As far as
23 use of personal cell phones, there is the risk that the Court may consider Plaintiff’s claims as to
24 Defendant’s alleged failure to indemnify for business expenses to be individual in nature.

25 22. Additionally, PAGA states a court has discretion to award a lesser amount than
26 the maximum penalty. *See Lab. Code* § 2699(e)(2) (“...a court may award a lesser amount than
27 the maximum civil penalty amount specified by this part if, based on the facts and circumstances
28 of the particular case, to do otherwise would result in an award that is unjust, arbitrary and

1 oppressive, or confiscatory.”). There is a substantial risk that the Court could reduce civil
2 penalties to an insignificant amount if it is unpersuaded by Plaintiff’s evidence of willful and
3 intentional conduct. *Carrington v. Starbucks* (2018) 30 Cal.App.5th 504 (“*Carrington*”)
4 illustrates this. In that case, the Court of Appeal affirmed a trial court’s heavily discounted award
5 of only \$5 per violation because it was within the Court’s discretion to significantly reduce
6 PAGA penalties even when there is a finding that a violation of the California Labor Code
7 occurred. The plaintiff in *Carrington* had requested penalties in excess of \$70 million and was
8 successful in proving the PAGA claim during a bench trial. However, the trial court reduced the
9 total award after trial to only \$150,000 (30,000 violations x \$5) and stated that this reduction was
10 warranted because imposing the maximum penalty would be “unjust, arbitrary, and oppressive”,
11 based on Starbucks’s “good faith attempts” to comply with meal break obligations and because
12 the Court found the violations were minimal. Applying the same formula here and assuming there
13 was one violation during each pay period, the award of civil penalties could not exceed
14 \$16,190.00 in PAGA penalties (3,238 violations x \$5). As such, this Settlement is a great result
15 based solely on the risk the Court chooses to apply the Carrington formula. Defendant has also
16 posed formidable defenses to the Labor Code claims underlying Plaintiff’s allegations. Thus, the
17 chance of Plaintiff recovering a higher amount than the Gross Settlement Amount is uncertain.

18 23. Moreover, Defendant could also convince the Court to dismiss the claims due to
19 unmanageability. In *Ortiz v. CVS Caremark Corp.*, the court dismissed a PAGA claim because
20 it was unmanageable. 2014 WL 1117614, at *3–4 (N.D. Cal. 2014). The Ortiz court cited the
21 “multitude of individualized assessments” that case would have required in ordering dismissal.
22 *Id.* at *4. Several other courts have adopted *Ortiz*, and dismissed PAGA claims where, as here,
23 there are a large number of allegedly aggrieved individuals whose claims require individual
24 assessments. *See, e.g., Litty v. Merrill Lynch & Co.*, 2014 WL 5904904, at *3 (C.D. Cal. 2014);
25 *Bowers v. First Student, Inc.*, 2015 WL 1862914, at *4 (C.D. Cal. 2015); *see also Stafford v.*
26 *Dollar Tree Stores, Inc.*, 2014 WL 6633396, at *2–4 (E.D. Cal. 2014) (bifurcating trial of
27 plaintiff’s claim from representative claims: “in light of the number of potential aggrieved
28 employees, judicial economy favors deferring the representative portion of the PAGA claim”);

1 *Amey v. Cinemark USA Inc.*, 2015 WL 2251504, at *16 (N.D. Cal. May 13, 2015). Furthermore,
2 on September 9, 2021, the California Court of Appeal issued a significant decision in *Wesson v.*
3 *Staples the Office Superstore, LLC*, No. B302988, 2021 Cal. App. LEXIS 743 (Ct. App. Sep. 9,
4 2021) (“*Wesson*”), holding that courts have authority to ensure that PAGA claims are
5 manageable, and that courts may limit or strike unmanageable PAGA claims.¹

6 24. The Parties further recognize that the issues presented in the PAGA Action are
7 likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further
8 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
9 to the maximum potential benefits to the PAGA Settlement Members and Plaintiff from
10 continued litigation, especially in the pandemic era where further and extensive litigation may
11 cause businesses to shut down, resulting in no monetary compensation to Plaintiff, Plaintiff’s
12 attorneys, other PAGA Settlement Members, and the State of California.

13 25. The settlement of the representative PAGA claim involves monetary relief to all
14 PAGA Settlement Members, Plaintiff, his attorneys, and the State of California. The Settlement
15 is reasonable given the uncertainties this lawsuit entails. It is also reasonable given the structure
16 and purpose of the PAGA, since the PAGA is not a restitution statute. Rather, it is essentially a
17 punishment statute. It provides for civil penalties only. Within the PAGA framework he is bound
18 by, Plaintiff, considering the evidence he faced, achieved a great result for the employees
19 concerned. Furthermore, any employees who are dissatisfied with the amount they received in
20 civil penalties can pursue any damages they believe they are owed by the Defendant. The
21 Settlement does not require them to opt out to do so.

22 26. As such, the settlement of PAGA penalties in the gross sum of \$50,000.00, of
23 which 75% of the net amount after attorney’s fees, litigation costs, and settlement administration
24 costs (\$16,929.89) will be paid to the LWDA and 25% (\$5,643.30) will be distributed to the
25 PAGA Settlement Members, is reasonable and appropriate under the circumstances.

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28 ¹ The *Wesson* decision marks the first time an appellate court has weighed in on whether PAGA claims must be manageable.

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Individual PAGA Payments

27. Defendant represents that there are approximately 145 PAGA Settlement Members during the PAGA Release Period. After deducting the requested Court-approved Attorneys' Fees (\$16,650.00) and Litigation Costs (\$7,526.81), and the Settlement Administration Costs (\$3,250.00), the Net Settlement Amount will be approximately \$22,573.19. Seventy five percent (75%) of the Net Settlement Amount will be paid to the Labor and Workforce Development Agency ("LWDA") (\$16,929.89), and twenty five percent (25%) (\$5,643.30) of the Net Settlement Amount will be paid to the PAGA Settlement Members on a pro-rata basis based upon their respective number of pay periods worked during the PAGA Release Period. Agreement, ¶ 21. With a total of 145 PAGA Settlement Members, the average estimated individual PAGA payment for each Aggrieved Employee is approximately \$38.92 (\$5,643.30 (25% of the estimated Net Settlement of \$22,573.19)/145 PAGA Settlement Members). This is a great result given the uncertainties this lawsuit entails.

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Attorneys' Fees and Costs

28. I represent Plaintiff on a straight contingency basis. My firm's request for \$16,650.00 in attorney fees and \$7,526.81 in litigation costs is fair and reasonable under the common fund theory. It is an accepted practice in wage and hour class action settlements to award attorneys' fees to Plaintiff's counsel based on a percentage of the total settlement value agreed upon by the parties. California courts have long recognized that an appropriate method for awarding attorneys' fees in class actions is to award a percentage of the common fund. (*Serrano v. Priest* (1977) 20 Cal.3d 25, 48-49 ["when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the fund"]; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 254; *Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19, 26-30.) Indeed, the California Supreme Court has also now held that the award of attorneys' fees in common fund wage and hour class action settlements should start with the percentage method. *See Laffitte v. Robert Half Intern, Inc.* (2016) 1 Cal. 5th 480, 505 ("Laffitte").

29. Awarding Plaintiff one third of the recovery as attorney fees is also consistent with my experience in wage and hour class and PAGA settlements. The award of attorneys' fees sought is also justified by the contingency nature of the attorney-client relationship, my experience in litigating wage and hour cases, the number of attorney and staff hours my firm has spent on this lawsuit, the high caliber of defense counsel, the risks of non-payment and non-reimbursement, the delay in payment and cost reimbursement, and the great results Plaintiff has achieved for the PAGA Settlement Members.

30. In addition, my firm incurred substantial costs, \$7,526.81 to date, which consist of mediator fees, data analysis fees, filing fees, court call fees, and attorney service fees. A true and correct summary of my firm's costs and expenses incurred to date is attached as **Exhibit 5** to this declaration. I will make detailed copies of such records available to the Court for *in camera* inspection upon its request. As the evidence submitted herewith shows, all of these costs are documented and reasonably incurred. Accordingly, they warrant the Court's approval.

31. My previous experience in litigating wage and hour actions also supports the reasonableness of the fee request. Based on past experience with similar matter, I was able to evaluate the strengths and weaknesses of this case and the reasonableness of the Settlement. Because it is reasonable to compensate me commensurate with my skill, reputation, and experience, attorney's fees of approximately one-third of the Gross Settlement Amount is reasonable. Likewise, the caliber and experience of opposing counsel in labor and employment litigation, Chandra Beaton from LightGabler, also supports the fairness and reasonableness of the requested fee award.

32. Attached hereto as **Exhibit 6** is a true and correct copy of the biography page for Chandra Beaton from the LightGabler website. She defended this case.

Settlement Administration Costs

33. With regard to the settlement administration costs provision, it is reasonable. Before agreeing to Phoenix Class Action Administration Solutions (“Phoenix”), the parties sought and reviewed bids from other reputable third-party administrator and Phoenix’s bid was the lowest.

A. CPT Group, Inc. = \$6,000; and

B. Phoenix Class Action Administration Solutions = \$ 3,250.00.

A true and correct copy of the bid from CPT Group Inc. attached hereto as **Exhibit 7**. A true and correct copy of the bid from Phoenix Class Action Administration Solutions is attached hereto as **Exhibit 8**. Thus, settlement administration costs provision should be given approval.

Plaintiff's Individual Settlement

34. Plaintiff negotiated an individual settlement agreement separate from the PAGA Settlement. The parties agreed that the consideration Plaintiff received pursuant to the individual settlement agreement was to settle his individual claims. As part of this confidential agreement, Plaintiff also provided Defendant with a general release of all claims, whether known or unknown, including unknown claims covered by Civil Code Section 1542. Plaintiff has no conflict of interest with the absent PAGA Settlement Members and is adequate to represent the PAGA Settlement Members. Plaintiff has maintained contact with my office and helped me gather information and evidence to prove the alleged claims and has agreed to remain involved as a PAGA representative even if the Court does not approve the Settlement. While Plaintiff and I believe that Plaintiff's individual settlement has no bearing on his adequacy as a PAGA Representative, he is willing to present that Settlement to the Court *in camera* for review if the Court requests. It represents a fair resolution for Plaintiff's individual claims.

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I declare under the penalty of perjury of the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

California.



HAROUT MESSRELIAN,
Declarant

EXHIBIT 1

SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS

Plaintiff Jeffrey Trejo ("Plaintiff"), individually and in his capacity as a representative of the State of California on behalf of other allegedly aggrieved employees, and Defendant Stratolaunch, LLC ("Defendant") hereby enter into this Settlement Agreement and Release of California Labor Code Private Attorneys General Act of 2004 ("PAGA") claims ("Agreement") as follows:

RECITALS

1. On or about July 1, 2021, Plaintiff submitted a notice to the California Labor and Workforce Development Agency ("LWDA") ("PAGA Notice"), LWDA Case No. LWDA-CM-836708-21.

2. Following the exchange of informal discovery and data to assess potential PAGA civil penalties, Plaintiff and Defendant (collectively, the "Parties") participated in a full day, private mediation with mediator Henry Bongiovi, Esq. on March 17, 2022. The Parties settled at the mediation and executed a Memorandum of Understanding at the conclusion of the mediation. The Parties agreed that Plaintiff would file a PAGA-only Complaint in Kern County Superior Court ("Court") for the purpose of effectuating the settlement of Plaintiff's PAGA claims.

3. On or around June 6, 2022, Plaintiff filed a representative action in Kern County Superior Court which included a single cause of action alleging violation of the PAGA ("Complaint"). The Complaint alleges that Defendant violated California Labor Code sections 201, 202, 203, 204 and/or 204b, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1197, 1198, and 2802.

4. Counsel for the Parties have thoroughly investigated the facts relating to the claims alleged in the PAGA Notice and have made a thorough study of the legal principles applicable to the claims asserted against Defendant. Based on their investigation and evaluation of this case, Plaintiff's Counsel has concluded that the settlement is fair, reasonable, and adequate in light of all known facts and circumstances, including the defenses asserted by Defendant, and potential adverse findings regarding liability.

5. Defendant denied, and continues to deny, each and every claim and contention alleged by Plaintiff in his PAGA Notice, and has always maintained that it never engaged in any unlawful acts regarding any of the matters alleged in the PAGA Notice.

6. NOW, THEREFORE, in consideration of the mutual covenants, promises, and conditions set forth herein, the Parties agree, subject to the Court's approval pursuant to California Labor Code section 2699(l)(2), to the terms of this Agreement.

DEFINITIONS

7. "PAGA Action" shall mean the PAGA-only civil action to be filed by Plaintiff in Kern County Superior Court, which shall mirror the contentions included in Plaintiff's PAGA

Notice.

8. "Settlement" shall mean the settlement of the PAGA Action under the terms as set forth in this Agreement.

9. "Settlement Administrator" refers to a qualified, third-party settlement administrator agreed to by the Parties to administer the terms of the settlement. The Parties agree to utilize Phoenix Settlement Administrators to administer the settlement, at an estimated cost not to exceed Four Thousand Dollars and Zero Cents \$4,000.00 (the "Administrative Fees").

10. "PAGA Release Period" shall mean July 1, 2020 through March 17, 2022.

11. "PAGA Settlement Members" shall mean all current and former non-exempt or hourly-paid employees who worked for Defendant at any of Defendant's California locations at any time during the PAGA Release Period.

12. "Released Claims" shall mean any and all claims, whether known or unknown, to recover civil penalties pursuant to PAGA for any alleged violations by Defendant of California Labor Code sections 201, 202, 203, 204 and/or 204b, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1197, 1198, and 2802, and any category of violations identified in California Labor Code section 2699.5 and the related applicable IWC Wage Order provision, for the PAGA Release Period.

13. "Released Parties" shall mean Defendant, and all of its joint employers, staffing agencies, subsidiary companies, affiliates, holding companies, predecessors, successors, partners, limited partners, owners, past, present and future members of Defendant's Board of Directors, shareholders, insurers, legal representatives, assigns, former and current employees, independent contractors, officers, directors, attorneys, agents, and related/affiliated entities, parent entities, subsidiary entities, parties or other representatives of any kind.

14. "Plaintiff's Counsel" refers to Messrelian Law Inc.

15. "Defense Counsel" refers to LightGabler.

TERMS OF THE PAGA SETTLEMENT

16. Gross Settlement Amount: This Agreement requires Defendant to pay a total maximum amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) ("Gross Settlement Amount") for settlement of the PAGA Action.

17. Attorneys' Fees and Costs to Plaintiff's Counsel: Plaintiff's Counsel will apply to the Court for an award of attorneys' fees not to exceed thirty-three percent (33.3%) of the Gross Settlement Amount. Plaintiff's Counsel will also seek reimbursement of reasonable litigation costs, not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00). Collectively, Plaintiff's Counsel's attorney's fees and reasonable litigation costs are referred to as "Plaintiff's Counsel Payment." Defendant agrees not to

oppose a request that the Court approve Plaintiff's Counsel Payment. Plaintiff's Counsel Payment shall be paid from the Gross Settlement Amount. Any reductions by the Court of Plaintiff's Counsel Payment shall revert to the Net Settlement Amount.

18. Net Settlement Amount: The Parties agree that Plaintiff's Counsel Payment and the Administrative Fees shall be deducted from the Gross Settlement Amount and that the balance remaining after such deductions shall be known as the "Net Settlement Amount." The Parties estimate that the Net Settlement Amount remaining after such deductions will be Twenty-One Thousand, Three Hundred Fifty Dollars and Zero Cents (\$21,350.00).

As required by California Labor Code section 2699(i), in accordance with the terms of this Agreement, the Parties will ask the Court to order that seventy-five percent (75%) of the Net Settlement Amount be paid to the LWDA, and the remaining twenty-five percent (25%) of the Net Settlement Amount be paid to Plaintiff and the other PAGA Settlement Members. As calculated, 75% of the Net Settlement Amount to be paid to the LWDA is Sixteen Thousand Twelve Dollars and Fifty Cents (\$16,012.50), and 25% of the Net Settlement Amount to be paid to Plaintiff and the other PAGA Settlement Members is Five Thousand Three Hundred Thirty-Seven Dollars and Fifty Cents (\$5,337.50.). The PAGA Settlement Members, including Plaintiff, shall receive a share of the 25% Net Settlement Amount in equal pro rata shares, based on their proportionate share of the pay periods worked during the PAGA Release Period.

SETTLEMENT ADMINISTRATION

19. The Parties agree that the Administrative Fees shall be paid from the Gross Settlement Amount. Any reductions by the Court or any unused amount shall revert to the Net Settlement Amount.

COMPUTATION OF PAYMENTS TO PAGA SETTLEMENT MEMBERS

20. Defendant shall provide the Settlement Administrator with a list of the names and addresses of the PAGA Settlement Members, to be furnished within ten (10) days after the Court issues an order approving the Settlement of the PAGA Action. The contact information will be provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of the identify and contact information of the PAGA Settlement Members. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Agreement.

21. The portion of the Net Settlement Amount that is paid to each PAGA Settlement Member shall be determined based on the following formula:

- a. The payment to PAGA Settlement Members will be based on the number of pay periods worked by each PAGA Settlement Member during the PAGA Release Period.
- b. The amount to be paid per pay period worked by a PAGA Settlement Member will be calculated by dividing the value of the portion of the

Net Settlement Amount that will be paid to PAGA Settlement Members by the total number of pay periods worked by all PAGA Settlement Members during the PAGA Release Period.

- c. Defendant's records shall be determinative for purposes of calculating the number of pay periods worked and any payments to PAGA Settlement Members.

22. Prior to disbursement of any funds, the Settlement Administrator will provide a disbursement summary of the calculations for the Plaintiff's Counsel Payment, payment to the LWDA, the Administrative Fees, and individual payments to the PAGA Settlement Members for review and approval by Plaintiff's Counsel and Defense Counsel.

DISBURSEMENT OF SETTLEMENT

23. Defendant shall deposit the Gross Settlement Amount with the Settlement Administrator within fourteen (14) days following the date on which the Court issues an order approving the Settlement of the PAGA Action.

24. The Settlement Administrator shall establish a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering the Settlement. The Settlement Administrator shall furnish the Qualified Settlement Fund with its own Employer ID Number and calculate all settlement checks and withholdings required under law based on information that will be confidentially furnished by Defendant. There are no payroll deductions to be calculated under this Settlement, since no part of the settlement will be classified as wages.

25. Within seven (7) days after the Gross Settlement Amount is funded, the Settlement Administrator shall pay to the LWDA an amount equivalent to seventy-five percent (75%) of the Net Settlement Amount, or as otherwise directed by the Court.

26. Within seven (7) days after the Gross Settlement Amount is funded, the Settlement Administrator shall distribute to PAGA Settlement Members their individual portion of the Net Settlement Amount (the "Individual Payment"), or as otherwise directed by the Court.

27. Within seven (7) days after the Gross Settlement Amount is funded, the Settlement Administrator shall distribute to Plaintiff's Counsel their Court-approved Plaintiff's Counsel Payment.

28. Within seven (7) days after Gross Settlement Amount is fully funded, the Settlement Administrator shall deduct an amount equivalent to the Administrative Fees.

29. The Settlement Administrator will send the Individual Payment to the PAGA Settlement Members by postmarked First Class U.S. Mail, along with a letter explaining the settlement in substantially the same form as Exhibit A, attached hereto.

30. To provide the best notice and delivery of Individual Payments practicable, any Individual Payment returned to the Settlement Administrator as non-delivered shall be sent by postmarked First Class U.S. Mail to the forwarding address affixed thereto, if any. If no

forwarding address is provided for an Individual Payment that is returned as non-deliverable, the Settlement Administrator shall use the best available technology accessible (e.g., skip tracing, address verification, etc.) to the Settlement Administrator or other mutually agreeable method to locate PAGA Settlement Members and will then mail the Individual Payment to the address identified by the best available technology accessible to the Settlement Administrator or other mutually agreeable method. If no current address is located, the Individual Payment for that individual will be deemed undeliverable. If any PAGA Settlement Members cannot be located within two attempts at mailings by the Settlement Administrator, the Individual Payment for that individual will be deemed undeliverable and will escheat to the California State Controller's Office in the name of the PAGA Settlement Members for whom the Individual Payment was intended.

31. The Settlement Administrator shall maintain a list of the postmark date for the original mailing of the Individual Payment to the PAGA Settlement Members, the postmark date of any subsequent mailing to any PAGA Settlement Members, and a list of PAGA Settlement Members who did not receive the Individual Payment due to the inability to locate a valid address using the procedures described herein or who otherwise could not be located within two attempts at mailing.

32. All settlement checks will remain valid and negotiable for 180 days from the date of their mailing by the Settlement Administrator. After 180 days from the date of their mailing by the Settlement Administrator, any uncashed checks will be void and escheat to the California State Controller's Office in the name of the PAGA Settlement Member who did not cash his or her check.

33. No later than January 31 of the year following payment of their individual portion of the Net Settlement Amount, the Settlement Administrator will prepare and issue an IRS Form 1099 to PAGA Settlement Members who received a payment.

CLAIMS RELEASED BY PAGA SETTLEMENT MEMBERS

34. Upon the date of entry of an order by the Court approving the Settlement of the PAGA Action, and payment of all funds due under this Settlement, the LWDA and PAGA Settlement Members, including Plaintiff, fully release and forever discharge the Released Parties from any and all Released Claims. As a result of this release, the PAGA Settlement Members will be unable to bring a claim under, or recover in any other claim brought under, the California Private Attorneys General Act, California Labor Code section 2698 *et seq.*, for any violations of the Released Claims during the PAGA Period.

TAX INDEMNIFICATION

35. PAGA Settlement Members will assume any tax obligations and consequences which may arise from this Settlement, including their receipt of Individual Payments. PAGA Settlement Members release any and all claims that they have or may have against Defendant for any claims, demands, deficiencies, levies, assessments, executions, judgments, penalties, taxes, indemnification, and any other recoveries related to any payments made under this Settlement or any compensation provided at any time by

Defendant or any of the Released Parties. If any state or federal taxing authority contacts, investigates, or pursues any action against any PAGA Settlement Members for their individual share of taxes related to any payments made under this Settlement or any compensation provided at any time by Defendant or any of the Released Parties, each PAGA Settlement Member shall be responsible for their own defense of and payment for any claim of unpaid taxes, interest, or penalties brought by any state or federal taxing authority for the PAGA Settlement Member's share of any state or federal tax obligation. If a PAGA Settlement Member has questions about any liability to any state or federal taxing authority, they shall contact the Settlement Administrator. The PAGA Settlement Members shall not contact Defendant, any of the Released Parties, or Defense Counsel.

36. Neither counsel for the Parties, Plaintiff, nor Defendant intend anything contained herein (or in any other document pertaining to the PAGA Action) to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied upon as such. The Parties and the PAGA Settlement Members should rely exclusively upon, his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement and any payments resulting from this Settlement.

MISCELLANEOUS PROVISIONS

37. Mutual Full Cooperation: The Parties agree to cooperate with each other fully to accomplish the terms of this Agreement, including but not limited to: (a) executing such documents and taking such other actions as reasonably may be necessary to implement the terms of this Agreement; and (b) continuing good faith efforts to effectuate the Settlement should the Court deny approval of the Settlement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. If the Court requires additional information in order to approve the Settlement of the PAGA Action, Defendant will work with Plaintiff to provide such information.

38. Parties' Authority: The Parties as signatories hereto hereby represent that they are fully authorized to enter into this Agreement and bind the Parties to the terms and conditions hereof.

39. Non-Approval of the Agreement: If the Court should for any reason not approve the Settlement of the PAGA Action or fail to enter an order approving the Settlement, then this Agreement shall be considered null and void, and neither this Agreement, nor any of the related negotiations or proceedings, shall be of any force or effect and shall be inadmissible for any purpose in any proceeding, and all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court.

40. Mandatory Disclosures: The Parties understand that pursuant to California Labor Code section 2699(l)(2), this Agreement will be submitted to the LWDA and then to the Court for approval and will therefore become a matter of public record.

41. Non-Admission of Liability: By entering into this Agreement, Defendant denies any liability for any of the claims in the PAGA Notice, as well as any other potential or unknown claims based on wage and hour violations under state or federal law. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement, is, may be construed as, or may be used as, an admission, concession, or indication by or against Defendant of any unlawful conduct, fault, wrongdoing or liability whatsoever. Defendant specifically denies that it has engaged in any unlawful or wrongful conduct against Plaintiff or the PAGA Settlement Members.

42. No Prior Assignments: The Parties hereto represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

43. Construction: The Parties agree that the terms and conditions of this Agreement are the result of intensive arm's-length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her, or its counsel participated in the drafting of this Agreement. All terms of this Agreement shall be governed by and interpreted according to the laws of the State of California, without giving effect to conflict of laws principles. Should any provisions of the Agreement be declared or determined by a court or other tribunal to be illegal or invalid, the validity of the remaining terms shall not be affected thereby.

44. Captions and Interpretations: Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof. Each term of this Agreement is contractual and not merely a recital.

45. Modification: This Agreement may not be changed, altered, or modified, except in writing signed by the Parties. All material changes, alterations, or modifications must be approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto and approved by the Court.

46. Integration Clause: This Agreement contains the entire agreement among the Parties relating to the Settlement, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or that party's legal counsel, are merged herein. In entering into this Agreement, none of the Parties has relied on any representation or promise not expressly set forth in this Agreement. No rights hereunder may be waived except in writing.

47. Binding on Assigns: This Agreement shall be binding upon and inure to benefit of the Parties and their respective heirs, trustees, executors, administrators, successors, and assigns.

48. Counterparts: This Agreement may be executed in counterparts, and the signature pages may be transmitted by fax, pdf, or other electronic means, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be

deemed an original, and when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon effective as to all Parties.

49. Admissibility: This Agreement is intended to be an enforceable and binding agreement and shall be admissible in evidence to enforce its terms.

50. Enforcement: Pursuant to California Code of Civil Procedure section 664.6, the Parties agree that the Court may retain jurisdiction for the purpose of enforcing full performance of the terms of this Agreement. In the event that one or more of the Parties institutes any motion, legal action, or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

The Parties have read and understand this Agreement, and consent to all of the terms and provisions contained herein.

PARTIES' SIGNATURES TO BE BOUND:

By 
Jeffrey Trejo

Dated: Jun 27, 2022

By Zachary C. Krevor

Dated: 06/28/22

Chief Executive Officer and President, on behalf of Stratolaunch, LLC

By 
Chandra A. Beaton

Dated: June 28, 2022

By 
Harout Messrelian

Dated: June 26, 2022

EXHIBIT 2

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

**NOTICE OF PAGA SETTLEMENT AND
RELEASE**

To [NAME]:

The enclosed check is your share of a court-approved representative action settlement between Plaintiff Jeffrey Trejo ("Plaintiff"), and Defendant Stratolaunch, LLC ("Stratolaunch") in the matter of Jeffrey Trejo v. Stratolaunch, LLC., Kern County Superior Court Case No. BCV-22-101385 ("Lawsuit").

Plaintiff filed a lawsuit against Stratolaunch as the representative of the State of California and Stratolaunch's other current and former hourly or non-exempt employees that worked in California ("PAGA Member"). Plaintiff asserted claims against Stratolaunch under California Labor Code § 2698 *et seq.*, also known as the Private Attorneys General Act ("PAGA"), based on the alleged failure by Stratolaunch to provide compliant meal periods and rest breaks, pay for all hours worked, including overtime compensation, reimbursement of necessary business expenses, itemized wage statements and timely payment of wages during and after employment. Stratolaunch denies any liability or wrongdoing and contends, among other things, that it has complied at all times with the California Labor Code, the related California Wage Orders, and all other state and federal wage laws, and further contends that the Lawsuit is without merit.

Pursuant to the Court's Order, a payment of \$50,000 was approved in settlement of this Lawsuit. After accounting for Plaintiff's Counsel's attorneys' fees of \$16,650.00 and reimbursement of litigation costs of \$7,526.81, administration costs of \$3,250.00, the remaining sum, called the "PAGA Payment", will be divided pursuant to California law as follows: \$16,929.89 (75%) to the State of California Labor Workforce Development Agency and \$5,643.30 (25%) to all PAGA Group employees to be shared on a proportionate basis.

As an hourly or non-exempt employee of Stratolaunch between July 1, 2020 and March 17, 2022 ("PAGA Member"), you are covered by this settlement. Per the Court's final judgment in this case, the PAGA Members release Stratolaunch from any and all claims, demands, rights, liabilities, and/or causes of action for PAGA penalties pursuant to Labor Code Section 2698 *et seq.* that were or could have been brought by Plaintiff based on the facts alleged in the Lawsuit, any of the PAGA Members, or the State of California, including PAGA penalties for the alleged failure to provide compliant meal periods and rest breaks, pay for all hours worked, including overtime compensation, reimbursement of necessary business expenses, itemized wage statements and timely payment of wages. This means that you are not able to pursue a PAGA lawsuit against Stratolaunch based on such claims. A full list of the released claims is contained in the court's Order granting settlement of this Lawsuit.

**THE ENCLOSED CHECK IS YOUR SHARE OF THE SETTLEMENT. IT IS
VALID FOR 180 DAYS OF ITS ISSUANCE.
NO FURTHER ACTION IS REQUIRED FROM YOU.**

The payment amount was calculated based on the number of pay periods you worked for Stratolaunch as a PAGA Member between July 1, 2020 and March 17, 2022, as determined by Stratolaunch's business records. Because this calculation was approved by the Court, the amount of your payment is final and cannot change. Enclosed with your check is an IRS Form 1099. Please note that no taxes were withheld from your payment, so it will be

your responsibility to pay any taxes that may be due. You should consult with your own tax accountant with regard to any questions that you may have concerning any taxes that may be due.

Your enclosed check is valid for 180 days from the date of its issuance. After that date, you cannot cash the check and it will be null and void. Funds attributable to such uncashed checks will be sent to the State of California Unclaimed Property Fund in your name. You are bound by the settlement and release of claims based on the Court's final judgment whether or not you cash or deposit the enclosed check. Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuit. However, nothing in this Lawsuit released your individual claims.

If you have any questions or would like more information about the settlement or this lawsuit, you may contact the Claims Administrator at [Claims Administrator], [Address], [Telephone Number] or you may review the papers, pleadings and records on file with the Court by scheduling an appointment with the clerk of the Kern Superior Court.

EXHIBIT 3



500 N. Central Avenue, Suite 840
Glendale, California 91203

Tel: (818) 484-6531
Fax: (818) 956-1983

VIA ELECTRONIC FILING

July 1, 2021

California Labor & Workforce Development Agency (LWDA)
Attn. PAGA Administrator
800 Capitol Mall, MIC-55
Sacramento, California 95814

VIA U.S. CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

STRATOLAUNCH, LLC
c/o CT CORPORATION SYSTEM
330 N. Brand Blvd., Suite 700
Glendale, CA 91203

STRATOLAUNCH, LLC
555 RICCOMINI ST
MOJAVE, CA 93501

JEFFREY TREJO v. STRATOLAUNCH, LLC

RE: PRIVATE ATTORNEYS GENERAL ACT NOTICE

To Whom It May Concern:

Please be informed that our client, Mr. Jeffrey Trejo (hereinafter "our client" or "Mr. Trejo") seeks penalties on behalf of the State of California and all current and former non-exempt or hourly paid employees ("aggrieved employees") who worked for STRATOLAUNCH, LLC (hereinafter referred to as "STRATOLAUNCH") at any of their California locations during the relevant time period pursuant to California Labor Code section 2698, et. seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA"). The purpose of this letter is to comply with the statutory requirements of California Labor Code section 2699.3 and shall constitute notice of the same.

Mr. Trejo started working for STRATOLAUNCH in late 2020. His latest position was that of "Composite Fabricator". Mr. Trejo was classified as an hourly, non-exempt employee and his latest rate of pay was \$36.25 per hour.

It is our position that STRATOLAUNCH has committed the following labor code violations against Mr. Trejo and other hourly, non-exempt employees who worked for STRATOLAUNCH at any of their locations in California during the PAGA period:

STRATOLAUNCH did not provide Mr. Trejo and other similarly situated aggrieved employees with the minimum wages to which they were entitled for all work performed and did not compensate him and others for all hours worked pursuant to California Labor Code sections

1194, 1197 and 1197.1. Mr. Trejo and others were not paid for all hours worked and consistently worked “off the clock”. This is so because STRATOLAUNCH had a policy of rounding down hours worked, which led to time shaving and resulted in Mr. Trejo and others not receiving wages for all hours worked.

Due to the above “off the clock” violations, STRATOLAUNCH violated Labor Code §510 because it failed to pay our client and other similarly situated aggrieved employees the correct overtime. Despite the fact that STRATOLAUNCH had implemented an Alternative Workweek Schedule of 9/80 (eight 9-hour days and one 8-hour day in two-week period), Mr. Trejo and others were actually forced to work 10 or more hour shifts and were not properly compensated the correct amount of overtime. In addition, STRATOLAUNCH failed to include bonus payments in calculating the correct regular rate of pay for purposes of calculating the overtime rate of pay.

STRATOLAUNCH violated Labor Code § 226.7 along with the applicable Industrial Welfare Commission Wage Order (Wage Order no. 4) because it failed to provide our client and other similarly situated aggrieved employees 10-minute rest periods for every four hours of work, or majority portion thereof, throughout their employment. STRATOLAUNCH did not completely relieve our client of all duty during said rest periods. STRATOLAUNCH did not pay to our client one additional hour of pay at our client’s regular rate of compensation for each workday that one or more statutory rest periods was not provided. Rest breaks were not authorized or enforced at the workplace. In fact, it was not part of STRATOLAUNCH’s culture for employees such as Mr. Trejo and others to take 10-minute rest breaks every day wherein they are relieved of all work duties.

STRATOLAUNCH also violated Labor Code §§ 512 and 226.7 along with the applicable Industrial Welfare Commission Wage Order (Wage Order no. 4) because it failed to provide our client and other similarly situated aggrieved employees the requisite 30-minute, uninterrupted meal periods for every five (5) hours of work throughout their employment, and our client did not validly waive said meal periods. STRATOLAUNCH did not completely relieve our client of all duties during said meal periods. STRATOLAUNCH did not pay to our client one additional hour of pay at our client’s regular rate of compensation for each workday that one or more statutory meal periods was not provided. In addition, Mr. Trejo and others did not receive a second meal period. If STRATOLAUNCH had Mr. Trejo sign a meal period waiver, it would not be valid and enforceable since Mr. Trejo and others generally worked more than a 6-hour shift. If STRATOLAUNCH had Mr. Trejo sign an on-duty meal period agreement wherein Mr. Trejo agreed to work through his meal period, it would also be invalid and unenforceable because the nature of Mr. Trejo’s job does not prevent him from taking a meal period and STRATOLAUNCH could have hired additional employees to serve as “breakers”. As such, Mr. Trejo and others did not always receive statutory, uninterrupted, timely (before the 5th hour worked) meal periods during their employment.

Furthermore, STRATOLAUNCH violated the applicable Industrial Welfare Commission Wage Order (Wage Order 4-2001, Section 14(b)) in that there was no proper suitable seating for employees since the company decided to remove the chairs for the employees.



MESSRELIAN LAW
ATTORNEYS AT LAW

500 N. Central Avenue, Suite 840
Glendale, California 91203

Tel: (818) 484-6531

Fax: (818) 956-1983

Furthermore, during the relevant time period and due to the above violations, STRATOLAUNCH failed to pay our client and other similarly situated aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including the minimum wages and overtime as described above as well as meal/rest break premiums. STRATOLAUNCH was also in violation of California Labor Code section 226(a) by failing to include pertinent information on the wage statements, including but not limited to, all hours worked, gross wages earned, net wages earned, all deductions, premium payments for meal and rest breaks, the correct legal name and address of the employer, the beginning and end of the pay period, all applicable hourly rates, all deductions, and all identifying employee information, among other items. As such, STRATOLAUNCH did not provide our client and other similarly situated aggrieved employees with complete, accurate itemized wage statements.

STRATOLAUNCH violated Labor Code § 203 because it willfully failed to pay our client and other similarly situated aggrieved employees earned and due wages upon separation of employment, either immediately upon involuntary termination, or within 72 hours of resignation. These earned but unpaid wages include compensation for all hours worked including minimum wages and overtime compensation, business expense reimbursement, and premiums for the missed meal and rest breaks.

During the relevant time period, STRATOLAUNCH also failed to keep accurate and complete payroll records showing the actual hours worked per day (including the time for meal periods) and the wages paid to our client and other aggrieved employees pursuant to California Labor Code sections 1174(d).

Moreover, Mr. Trejo and other aggrieved employees incurred necessary, business-related expenses and costs that were not reimbursed by STRATOLAUNCH. These costs include, but are not limited to, use of personal cell phones for work purposes in that Mr. Trejo would use his personal cell phone to correspond regarding work-related issues. In addition, Mr. Trejo used his own tools, including his own scissors, angle grinder, cut-off wheel, orbital sander, and other such hand tools to effectuate his job duties. Mr. Trejo was not reimbursed for these items. Accordingly, STRATOLAUNCH was in violation of California Labor Code sections 2800 and 2802.

In addition, Mr. Trejo has claims against STRATOLAUNCH for violations of the Fair Employment and Housing Act (FEHA), including discrimination/retaliation based on physical/mental disability. Mr. Trejo would also have claims against STRATOLAUNCH for wrongful termination in violation of public policy and negligent/intentional infliction of emotional distress. STRATOLAUNCH was fully aware of Mr. Trejo's disabilities, including the fact that he was a combat veteran with PTSD, anxiety, depression, migraines, and arthritis (in the knees, back, shoulders). When the chairs were taken from the employees, Mr. Trejo complained that he needed to sit due to his condition and asked for the chairs to be returned, but they never were. As such, STRATOLAUNCH failed to accommodate Mr. Trejo in this regard. In addition, in April 2021, Mr. Trejo informed management that the extra hour he was being made to work everyday (past the 9/80 schedule) was affecting his disability, however, Mr. Trejo's comments were ignored and the company's attitude towards Mr. Trejo shifted. In fact, he was told by management, "can't use your PTSD as a crutch." Mr. Trejo then asked to be accommodated by being transferred to a



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different building (different leadership where the agreed upon 9/80 schedule would be enforced). The company told Mr. Trejo that they could not transfer him even though two other composite fabricators were transferred (same position, title, skill, experience). As such, due to Mr. Trejo's disabilities and complaints, the company started targeting Mr. Trejo and looking for reasons to terminate his employment, including disciplining Mr. Trejo for not signing into ADP correctly (even though Mr. Trejo had not been trained on it, which the company acknowledged) and for allegedly giving the company late notice for Jury Duty. Not surprisingly, Mr. Trejo was eventually terminated on Friday, June 18, 2021, for alleged violations of company policy. STRATOLAUNCH's main issue with Mr. Trejo allegedly not giving advance notice of time-off requests conflicts with STRATOLAUNCH's duties to reasonably accommodate an employee that they are aware has mental and physical disabilities.

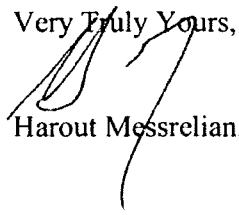
Each of the aforementioned violations, except the Labor Code section 226(a) violations, is among the enumerated serious violations set forth in Labor Code § 2699.5, for which there is no statutory right to cure.

Please take notice that, based upon the above-mentioned violations, and in addition to the penalties provided by those specific sections themselves, our client also intends to seek penalties under the following Labor Code sections which themselves are inviolable but provide for recovery of penalties for violating one or more of the above-mentioned Labor Code sections: Labor Code §§ 558, 226.3.

Should your agency choose not to pursue this matter, this law office intends to vigorously prosecute the aforementioned Labor Code violations on its behalf and vindicate the rights of all employees who have been subjected to these same Labor Code violations by STRATOLAUNCH.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you in advance for your attention to this matter.

Very Truly Yours,



Harout Messrelian, Esq.

EXHIBIT 4

1 **MESSRELIAN LAW INC.**

2 Harout Messrelian, Esq., SB# 272020

3 500 N. Central Ave. Suite 840

4 Glendale, California 91203

5 Telephone: (818) 484-6531

6 Facsimile: (818) 956-1983

7 Email: hm@messrelianlaw.com

8 Attorneys for Plaintiff JEFFREY TREJO

ELECTRONICALLY FILED

6/6/2022 5:53 PM

Kern County Superior Court

By Alejandra Velazquez, Deputy

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF KERN**

11 JEFFREY TREJO,

12 Plaintiff,

13 vs.

14 STRATOLAUNCH, LLC and DOES 1 to
15 25, inclusive,

16 Defendants.

) CASE NO.: BCV-22-101385

) **COMPLAINT FOR DAMAGES FOR:**

) **1) PRIVATE ATTORNEYS GENERAL**
) **ACT ("PAGA");**

17 **COMES NOW** Plaintiff, JEFFREY TREJO (hereinafter "Plaintiff"), and alleges as

18 follows:

19 **PARTIES, JURISDICTION, and VENUE**

20
21 1. Jurisdiction and Venue are proper in this Court and this action is properly filed in the
22 County of Kern in this judicial district because Defendants STRATOLAUNCH, LLC and
23 DOES 1 to 25, inclusive, (hereinafter collectively known as "Defendants"), do business in the
24 County of Kern, and because Defendants' obligations and liabilities arise therein, and because

1 the work that was performed by Plaintiff in the County of Kern is the subject of this action.

2 Moreover, Plaintiff's damages sought herein exceed \$25,000.

3 2. Plaintiff is a male of the State of California.

4 3. Plaintiff is informed and believes that at all times herein mentioned, Defendant
5 STRATOLAUNCH, LLC (hereinafter "STRATOLAUNCH") is a Delaware corporation, doing
6 business in the County of Kern, State of California.

7 4. Plaintiff is ignorant of the true names and capacities, whether individual, corporate, or
8 associate of those defendants fictitiously sued as DOES 1 to 25, inclusive, and so Plaintiff sues
9 them by these fictitious names. Plaintiff is informed and believes that each of the DOE
10 defendants, numbers 1 to 25, reside in the State of California and are in some manner
11 responsible for the conduct alleged herein. Upon discovering the true names and capacities of
12 these fictitiously named defendants, Plaintiff will amend this complaint to show the true names
13 and capacities of these fictitiously named defendants.

14 5. Unless otherwise alleged in this complaint, Plaintiff is informed, and on the basis of
15 that information and belief, alleges that at all times herein mentioned, each of the remaining
16 codefendants, in doing the things hereinafter alleged, were acting within the course, scope, and
17 under the authority of their agency, employment, or representative capacity, with the consent
18 of his/her codefendants.

19
20
21 **GENERAL ALLEGATIONS**

22 6. Plaintiff started working for STRATOLAUNCH in August 2020. His latest position was
23 that of "Composite Fabricator". Plaintiff was classified as an hourly, non-exempt employee and
24 his latest rate of pay was \$36.36 per hour.

25 7. It is Plaintiff's position that STRATOLAUNCH has committed the following labor
26 code violations against Plaintiff and other hourly, non-exempt employees who worked for
27 STRATOLAUNCH at any of their locations in California during the PAGA period:
28

1 STRATOLAUNCH did not provide Plaintiff and other similarly situated aggrieved employees
2 with the minimum wages to which they were entitled for all work performed and did not
3 compensate him and others for all hours worked pursuant to California Labor Code sections
4 1194, 1197 and 1197.1. Plaintiff and others were not paid for all hours worked and consistently
5 worked “off the clock”. This is so because STRATOLAUNCH had a policy of rounding down
6 hours worked, which led to time shaving and resulted in Plaintiff and others not receiving
7 wages for all hours worked.
8

9 8. Due to the above “off the clock” violations, STRATOLAUNCH violated Labor Code
10 §510 because it failed to pay Plaintiff and other similarly situated aggrieved employees the
11 correct overtime. Despite the fact that STRATOLAUNCH had implemented an Alternative
12 Workweek Schedule of 9/80 (eight 9-hour days and one 8-hour day in two-week period),
13 Plaintiff and others were actually forced to work 10 or more hour shifts and were not properly
14 compensated the correct amount of overtime. In addition, STRATOLAUNCH failed to include
15 bonus payments in calculating the correct regular rate of pay for purposes of calculating the
16 overtime rate of pay.
17

18 9. STRATOLAUNCH violated Labor Code § 226.7 along with the applicable Industrial
19 Welfare Commission Wage Order (Wage Order no. 4) because it failed to provide Plaintiff and
20 other similarly situated aggrieved employees 10-minute rest periods for every four hours of
21 work, or majority portion thereof, throughout their employment. STRATOLAUNCH did not
22 completely relieve Plaintiff of all duty during said rest periods. STRATOLAUNCH did not
23 pay to Plaintiff one additional hour of pay at Plaintiff’s regular rate of compensation for each
24 workday that one or more statutory rest periods was not provided. Rest breaks were not
25 authorized or enforced at the workplace. In fact, it was not part of STRATOLAUNCH’s culture
26 for employees such as Plaintiff and others to take 10-minute rest breaks every day wherein they
27 are relieved of all work duties.
28

10. STRATOLAUNCH also violated Labor Code §§ 512 and 226.7 along with the applicable

1 Industrial Welfare Commission Wage Order (Wage Order no. 4) because it failed to provide
2 Plaintiff and other similarly situated aggrieved employees the requisite 30-minute, uninterrupted
3 meal periods for every five (5) hours of work throughout their employment, and Plaintiff did
4 not validly waive said meal periods. STRATOLAUNCH did not completely relieve Plaintiff
5 of all duties during said meal periods. STRATOLAUNCH did not pay to Plaintiff one
6 additional hour of pay at Plaintiff's regular rate of compensation for each workday that one or
7 more statutory meal periods was not provided. In addition, Plaintiff and others did not receive a
8 second meal period. If STRATOLAUNCH had Plaintiff sign a meal period waiver, it would not
9 be valid and enforceable since Plaintiff and others generally worked more than a 6-hour shift. If
10 STRATOLAUNCH had Plaintiff sign an on-duty meal period agreement wherein Plaintiff
11 agreed to work through his meal period, it would also be invalid and unenforceable because the
12 nature of Plaintiff's job does not prevent him from taking a meal period and STRATOLAUNCH
13 could have hired additional employees to serve as "breakers". As such, Plaintiff and others did
14 not always receive statutory, uninterrupted, timely (before the 5th hour worked) meal periods
15 during their employment.

16 11. Furthermore, STRATOLAUNCH violated the applicable Industrial Welfare
17 Commission Wage Order (Wage Order 4-2001, Section 14) in that there was no proper
18 suitable seating for employees since the company decided to remove the chairs for the
19 employees.

20 12. Furthermore, during the relevant time period and due to the above violations,
21 STRATOLAUNCH failed to pay Plaintiff and other similarly situated aggrieved employees all
22 wages due to them within any time period specified by California Labor Code section 204,
23 including the minimum wages and overtime as described above as well as meal/rest break
24 premiums. STRATOLAUNCH was also in violation of California Labor Code section 226(a) by
25 failing to include pertinent information on the wage statements, including but not limited to, all
26 hours worked, gross wages earned, net wages earned, all deductions, premium payments for meal
27 and rest breaks, the correct legal name and address of the employer, the beginning and end of
28

1 the pay period, all applicable hourly rates, all deductions, and all identifying employee
2 information, among other items. As such, STRATOLAUNCH did not provide Plaintiff and
3 other similarly situated aggrieved employees with complete, accurate itemized wage statements.

4 13. STRATOLAUNCH violated Labor Code § 203 because it willfully failed to pay Plaintiff
5 and other similarly situated aggrieved employees earned and due wages upon separation of
6 employment, either immediately upon involuntary termination, or within 72 hours of resignation.
7 These earned but unpaid wages include compensation for all hours worked including minimum
8 wages and overtime compensation, business expense reimbursement, and premiums for the
9 missed meal and rest breaks.

10 14. During the relevant time period, STRATOLAUNCH also failed to keep accurate and
11 complete payroll records showing the actual hours worked per day (including the time for meal
12 periods) and the wages paid to Plaintiff and other aggrieved employees pursuant to California
13 Labor Code sections 1174(d).

14 15. Moreover, Plaintiff and other aggrieved employees incurred necessary, business-related
15 expenses and costs that were not reimbursed by STRATOLAUNCH. These costs include, but
16 are not limited to, use of personal cell phones for work purposes in that Plaintiff would use his
17 personal cell phone to correspond regarding work-related issues. In addition, Plaintiff used his
18 own tools, including his own scissors, angle grinder, cut-off wheel, orbital sander, and other such
19 hand tools to effectuate his job duties. Plaintiff was not reimbursed for these items. Accordingly,
20 STRATOLAUNCH was in violation of California Labor Code sections 2800 and 2802.

21
22 **FIRST CAUSE OF ACTION**

23 **PRIVATE ATTORNEYS GENERAL ACT**

24 **Individual and Representative Claim for PAGA penalties under California Labor Code**
25 **sections 201, 202, 203, 204 and/or 204b, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5,**
1194, 1197, 1198, 2802, and the applicable Industrial Welfare Commission Wage Order
Nos. 4-2001

26
27 **(Plaintiff Against All Named Defendants and all DOE Defendants)**

28 16. Plaintiff re-alleges and incorporates by reference each and every allegation in

1 paragraphs 1 through 15, inclusive, of this Complaint as though fully set forth herein.

2 17. Pursuant to law, Plaintiff provided the required written notice to the LWDA and
3 Defendants of the specific violations of the California Labor Code that Defendants
4 and DOE defendants have violated and continue to violate.

5 18. Pursuant to California Labor code section 2699.3, no response was received from the
6 LWDA within 65 days of the postmark date of the above-alleged letter.

7 19. Plaintiff therefore has exhausted all administrative remedies required of him under
8 California Labor Code sections 2698, 2699, and 2699.3, and, as a result, may prosecute this
9 cause of action and pursue penalties in a representative action for Defendants' violations of the
10 Labor Code.

11 20. Pursuant to California Labor Code section 2699, any provisions of the Labor Code
12 that provides for a civil penalty to be assessed and collected by the LWDA or any of its
13 departments, divisions, commissions, boards, agencies, or employees for violation of the code
14 may, as an alternative, be recovered through a civil action brought by an aggrieved employee
15 on behalf of himself or herself and other current or former employees pursuant to the
16 procedures specified in California Labor Code section 2699.3.

17 21. Plaintiff is an "aggrieved employee" because Plaintiff was employed by the alleged
18 violator and had one or more of the alleged violations committed against him, and therefore is
19 properly suited to represent the interests of other current and former hourly, non-exempt
20 employees who worked for STRATOLAUNCH in the State of California at any and all
21 locations during the PAGA period.

22 22. Based on the acts alleged above, Plaintiff, on behalf of himself and others, seeks
23 penalties under California Labor Code sections 2698 and 2699 because of Defendants'
24 violations of numerous provisions of the California Labor Code as alleged in this Complaint.

25 23. California Labor Code section 2699 et seq. imposes penalties upon culpable
26 Defendants for violating the Labor Code.

27 24. California Labor Code section 558 establishes a civil penalty as follows: Any
28

1 employer or other person action on behalf of an employer who violates, or causes to be
2 violated, a section of this chapter or any provision regulating hours and days of work in any
3 order of the Industrial Welfare Commission (including the "Hours and Days of Work" section
4 of the Wage Order) shall be subject to a civil penalty of (1) for any initial violation, fifty
5 dollars (\$50) for each underpaid employee for each pay period for which the employee was
6 underpaid ...; (2) for each subsequent violation, one hundred dollars (\$100) for each underpaid
7 employee for each pay period for which the employee was underpaid ...;

8 25. Plaintiff seeks penalties for Defendants' misconduct as alleged herein as permitted by
9 law, but only those penalties that are required to be shared with the LWDA as Plaintiff is not
10 seeking individual/victim specific relief or underpaid wages under this particular cause of
11 action.

12 26. Specifically, Plaintiff seeks penalties under California Labor Code section 2699, for
13 the following:

14 Violations of California Labor Code sections 201, 202, 203, 204 and/or 204b, 210,
15 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1197, 1198, and 2802 via 2698 and
16 2699 any other Labor Codes and Wage Orders (including no. 4) violated on the facts
17 alleged in this Complaint.

18 27. Pursuant to Labor Code section 2698 et seq., Plaintiff seeks to recover attorney's fees,
19 costs, and civil penalties on behalf of Plaintiff and other current and former aggrieved
20 employees as alleged herein in an amount to be shown according to proof at trial and within the
21 jurisdictional limits of this Court.

22 WHEREFORE, Plaintiff prays for Judgment against Defendants and each of them, as
23 follows:

- 24 1. For the imposition of civil penalties;
- 25 2. For maximum civil penalties available under Labor Code Section 2699
26 against Defendants in a manner and amount authorized by that statute, as described
27 more particularly in the Complaint and representative PAGA claims;

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- 3. For all costs and disbursements incurred in this suit;
- 4. Reasonable attorney's fees where available by law, including but not limited to, pursuant to the California Labor Code, including section 2698 et seq., and/or other applicable laws; and
- 5. For such other and further relief as this Court may deem proper.

DATED: June 3, 2022

MESSRELIAN LAW INC.

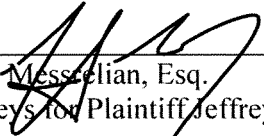
By 
Harout Messrelian, Esq.
Attorneys for Plaintiff Jeffrey Trejo

EXHIBIT 5

Trejo v. Stratolaunch, LLC

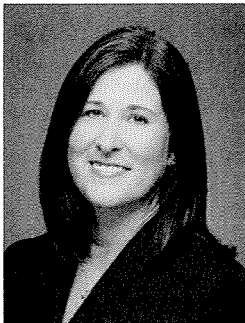
(Superior Court of California, Kern County, Case No. BCV-22-101385)

Messrelian Law Inc. Costs and Expenses	Total
LWDA Notice Filing Fee	\$ 75.00
Complaint Filing Fee	\$ 1,492.93
Proof of Summons re: NAR Filing Fee	\$ 14.88
Mediator Fees	\$ 5,000.00
Data Analyst for Mediation	\$ 850.00
Court Call for 9/27/2022 OSC hearing	\$ 94.00
Current Costs through 10/1/2022	\$ 7,526.81

EXHIBIT 6



Chandra A. Beaton



Chandra A. Beaton

Direct Phone/Fax
(805) 248-7045
Email | vCard

Professional Experience

Chandra practices in the area of employment litigation on behalf of employers and managers. She has extensive civil litigation experience in both state and federal courts. Her litigation background encompasses a broad range of disputes, including construction defect and mold claims, personal injury defense, general and professional liability defense, intellectual property litigation, real estate litigation, business litigation, and homeowners association matters. In 2003, she was admitted to the State Bar of California. Chandra is also admitted to the United States District Court for the Central, Eastern and Southern Districts of California.

Chandra Beaton litigates a broad range of employment and business matters in both state and federal court, as well as in administrative proceedings, including cases involving the following:

- Wrongful termination
- Discrimination
- Harassment
- Retaliation
- Wage and hour claims
- Class actions
- Breach of contract
- Defamation
- Protection of employer trade secrets and confidential information, and
- Unfair business practices

Community

Chandra is a long-time resident of Ventura County. She is a member of the Ventura County Bar Association, Association of Southern California Defense Counsel, Ventura County Trial Lawyers Association, and Women Lawyers of Ventura County.

Education

Chandra received her Bachelor of Arts degree in Environmental Studies from the University of California, Santa Barbara, in 1997. She attended UCSB as a Chancellor's Scholar. In 2002, she obtained her Juris Doctorate from Pepperdine University School of Law as well as a Certificate in Dispute Resolution from Pepperdine's Straus Institute for Dispute Resolution.

Personal

Chandra lives in Ventura with her fiancé. She enjoys hiking, gardening, traveling, and listening to live music.

LightGabler
CAMARILLO / SAN LUIS OBISPO



Contact Information

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Camarillo, CA 93010

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info@lightgablerlaw.com

Join The Mailing List

To receive seminar invitations, learn about upcoming topics or register for an event, email us at seminars@lightgablerlaw.com or call 805.248.7208.



EXHIBIT 7



Class Action Administrators

www.cptgroup.com

Contact Name: Ryan Schley, Esq.
Alan Rock

Corporate Headquarters

50 Corporate Park, Irvine CA 92606

Ryan@cptgroup.com

Direct Number: (949) 358-0404

Headquarters: (800) 542-0900

Fax Number: (949) 428-1023

Case Name: WIP

Date: April 15, 2022

PAGA Disbursement Only

Requesting Attorney: Janis Lopez

* Aggrieved Employees: 145

Plaintiff or Defense: Plaintiff

Postage Total: \$111.02

Firm Name: Messrelian Law Inc.

Grand Total: \$8,837.52

Telephone: (818) 484-6531

*** **DISCOUNTED FLAT FEE:** \$6,000.00

Email: janis@messrelianlaw.com

* This number is an estimate provided by counsel. If the actual number is different, our cost estimate will change accordingly.

Case Setup

Case Setup / Data Management / Create a Unified Mailing List / NCOA / TFN Establish, Setup & Support / Spanish Translation

Administrative Tasks:	Unit Price	Pieces/Hours	Cost Estimate
Project Manager	\$95.00	1	\$95.00
System Programming/Data Base Setup	\$150.00	1	\$150.00
Project Manager-Notice Format	\$95.00	1	\$95.00
NCOA	\$150.00	1	\$150.00
Call Center Support	\$3.00	29	\$87.00
Spanish Translation	\$250.00	1	\$250.00
Total			\$827.00

* Up to 120 days after disbursement

SSN Verification

Verify SSN for Validity with IRS / IRS Backup Withholdings

Administrative Tasks:	Unit Price	Pieces/Hours	Cost Estimate
Programming for SSN Selection	\$150.00	1	\$150.00
Project Manager	\$95.00	3	\$285.00
SSN Verification	\$0.20	145	\$29.00
Total			\$464.00

Disbursement

Calculations / Data Management / Create & Manage QSF / Print & Mail Notice, Checks/1099's

Administrative Tasks:	Unit Price	Pieces/Hours	Cost Estimate
Programming Database-Calculate Totals	\$150.00	2	\$300.00
Project Supervisor Review of Distribution	\$150.00	3	\$450.00
Project Manager-Correspond w/Attorney	\$95.00	2	\$190.00
Obtain EIN, Setup QSF/Bank Account	\$150.00	3	\$450.00
Programming/Setup & Printing of Checks	\$150.00	3	\$450.00
Print Mail Notice, Checks & 1099	\$3.00	145	\$435.00
Estimated Postage (up to 1 oz.)	\$0.58	145	\$84.10
Total			\$2,359.10

Post-Disbursement & Tax Reporting

Account Recons / Skip Trace / Reissue Checks / Annual Tax Reporting / Final Reporting & Declaration

Administrative Tasks:	Unit Price	Pieces/Hours	Cost Estimate
Re-Issue Checks as Required	\$5.00	2	\$10.00
Project Supervisor -Account Recons	\$150.00	6	\$900.00
Skip Trace	\$1.25	12	\$15.00
Remail Undeliverable Checks	\$3.00	12	\$36.00
Estimated Postage (up to 1 oz.)	\$0.58	14	\$8.12
Project Supervisor-Reconcile Uncashed Chk	\$150.00	1	\$150.00
Programming- Final Reports	\$150.00	1	\$150.00
Project Manager - Acnt Files Sent to Atty	\$150.00	1	\$150.00
Project Supervisor - Final Declaration	\$150.00	1	\$150.00
Annual Tax Reporting to IRS*	\$1,000.00	1	\$1,000.00
QSF Annual Tax Reporting	\$500.00	1	\$500.00
Total			\$3,069.12

*CPT will file Federal and California taxes in accordance to current state and federal regulations. Additional charges will apply if the Settlement / Order / parties require(s) multiple state tax filings.

Escheat Processing

Escheatment Processing to the State Controller Unclaimed Property Division / Uncashed Check Rate 21%

Administrative Tasks:	Unit Price	Pieces/Hours	Cost Estimate
UPEnterprise Reporting Services	\$0.15	30	\$4.50
Project Manager - Fall Reporting	\$95.00	2	\$190.00
Project Supervisor-Fall Reporting	\$150.00	1	\$150.00
Certified Mail Report to SCO	\$8.53	1	\$8.53
Check Reissues - Winter/Spring QTR	\$5.00	3	\$15.00
1st Class Postage for Reissues	\$0.58	3	\$1.74
Project Manager - June Remittance	\$95.00	2	\$190.00
Project Supervisor- June Remittance	\$150.00	1	\$150.00
Certified Mail Report to SCO	\$8.53	1	\$8.53
Add'l Account Recons	\$150.00	6	\$900.00
Add'l QSF Annual Tax Reporting	\$500.00	1	\$500.00
Total			\$2,118.30

Grand Total: **\$8,837.52**

TERMS AND CONDITIONS

These Terms and Conditions are made a part of and incorporated by reference into the CPT Group, Inc. Terms and Conditions Agreement by and between Client and CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 ("CPT").

1. Definitions.

- a) **"Affiliate"** means a party that partially (at least 50%) or fully controls, is partially or fully controlled by, or is under partial (at least 50%) or full common control with, another party.
- b) **"Approved Bank"** means a financial institution insured by the Federal Deposit Insurance Corporation with capital exceeding \$1 billion.
- c) **"Case"** means the particular judicial matter identified by the name of plaintiff(s) and defendant(s) on the applicable Order.
- d) **"Claims Administrator"** means CPT Group, Inc. a reputable third-party Claims Administrator selected by all the Parties (Plaintiff and Defense Counsel) to administer the Settlement or Notification Mailing.
- e) **"Client"** means collectively Plaintiff Counsel and Defense Counsel.
- f) **"Client Content"** means all Class Member written document communications relating to the Case, including claim forms, opt-out forms, objections, and the like which contain Client Data.
- g) **"Client Data"** means proprietary or personal data regarding Client or any of its Class Members under this Agreement, as provided by Client.
- h) **"Class Member"** means an individual who is eligible under the Settlement Agreement to receive a designated amount of the Settlement, including the named Plaintiff(s) in the Case and all other putative persons so designated or addressed therein.
- i) **"Confidential Information"** means any non-public information of CPT or Client disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing party. Confidential Information shall also include the terms of this Agreement, except where this Agreement specifically provides for disclosure of certain items. Confidential Information shall not, however, include the existence of the Agreement or any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.
- j) **"Court Order"** means a legal command or direction issued by a court, judicial office, or applicable administrative body requiring one or more parties to the Case to carry out a legal obligation pursuant to the Case.
- k) **"Defendant"** means the named party and/or parties in the Case against whom action is brought.
- l) **"Defense Counsel"** means the attorney of record for the defendant(s) in the Case.
- m) **"Intellectual Property Right"** means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising in any jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
- n) **"Order"** means a Product purchase in a schedule, statement of work, addendum, exhibit, or amendment signed by Client and CPT.
- o) **"Parties"** shall mean collectively Defendants, Defense and Plaintiff as defined in the Settlement Agreement or Court Order.
- p) **"Plaintiff"** means the named party and/or parties in the Case who are bringing the action.
- q) **"Plaintiff Counsel"** means the attorney of record for plaintiff Class Members in the Case.
- r) **"Products"** means any and all CPT Services, and work product resulting from Services.
- s) **"Qualified Settlement Fund"** means the entity as defined by Treasury Regulation section 4686-1 under which a bank account is established to receive settlement funds from the Defendant in the Case, which such funds

are then disbursed by CPT according to the Settlement Agreement and pursuant to Court Order.

- t) **"Service"** means any service rendered by CPT specifically to Client, including, but not limited to: (i) notifications to Class Members; (ii) setting up a Qualified Settlement Fund with a financial institution; (iii) management of disbursement of funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement; (iv) provision of customer support relating to the Case; (v) management of Case claim forms and correspondence; and/or (vi) any administrative or consulting service.
- u) **"Software"** means any and all of CPT's proprietary applications, including, without limitation, all updates, revisions, bug-fixes, upgrades, and enhancements thereto.
- v) **"Settlement"** means the total dollar amount agreed to between parties to the Case, as negotiated by Plaintiff Counsel and Defense Counsel, to resolve the Case to mutual satisfaction.
- w) **"Settlement Agreement"** means the contract between parties to the Case to resolve the same, which specifies amounts to be disbursed from the Qualified Settlement Fund to attorneys, CPT, and individual Class Members.
- x) **"Term"** means the term of the Agreement, as set forth in the Order.
- y) **"Transmission Methods"** means the secure authorized manner to send Client Data and/or Wire Information as specified on a schedule or Order hereto.
- z) **"Wire Information"** means instructions for (i) Defense Counsel to transfer funds from Defendant to the Qualified Settlement Fund or (ii) CPT to transfer funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement.

- 2. **Client Obligations.** Client will ensure that it has obtained all necessary consents and approvals for CPT to access Client Data for the purposes permitted under this Agreement, and shall only transmit Client Data and/or Wire Instructions to CPT via the Transmission Methods. Client shall use and maintain appropriate administrative, technical, and physical safeguards designed to protect Client Data provided under this Agreement. Client shall not send, or attempt to send, Client Data and/or Wire Instructions via email, facsimile, unprotected spreadsheet, USB flash drive or other external or removable storage device, cloud storage provider, or any other method not specified in the Transmission Methods. Notwithstanding the foregoing, Client acknowledges and understands that the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, and/or destroyed. Client further warrants that any Client Data and/or Wire Instructions it transmits shall be free of viruses, worms, Trojan horses, or other harmful or disabling codes which could adversely affect the Client Data and/or CPT. If Client is in breach of this section, CPT may suspend Services, in addition to any other rights and remedies CPT may have at law or in equity.

- 3. **Security.** The Parties and CPT shall each use reasonable administrative, technical, and physical safeguards that are reasonably designed to: (a) protect the security and confidentiality of any personally identifiable information provided by Class Members and/or Client under this Agreement; (b) protect against any anticipated threats or hazards to the security or integrity of such personally identifiable information; (c) protect against unauthorized access to or use of such personally identifiable information that could result in substantial harm or inconvenience to any individual; and (d) protect against unauthorized access to or use of such personally identifiable information in connection with its disposal. Each Party will respond promptly to remedy any known security breach involving the personally identifiable information provided by you and/or Client under this Agreement, and shall promptly inform the other Parties of such breaches.

- 4. **CPT Obligations.** Provided that Client complies with all provisions of Section "Client Obligations", CPT will (i) maintain appropriate safeguards for the protection of Client Data, including regular back-ups, security and incident response protocols, and (ii) not access or disclose Client Data except (A) as compelled by law, (B) to prevent or address service or technical issues, (C) in accordance with this Agreement or the provisions of the Settlement Agreement, or (D) if otherwise permitted by Client.

5. Mutual Obligations.

- a) **Resources.** Each party agrees to: (i) provide the resources reasonably necessary to enable the performance of the Services; (ii) manage its project staffing, milestones, and attendance at status meetings; and (iii) ensure completion of its project deliverables and active participation during all phases of a Service project. The parties acknowledge that failure to cooperate during a Service project may delay delivery of the Service. If there

is a delay, the party experiencing the delay will notify the other party as soon as reasonably practicable, and representatives of each party will meet to discuss the reason for the delay and applicable consequences. Changes beyond the scope of an Order and/or a party's delay in performing its obligations may require an amended Order.

- b) Incident Notification. Each party will promptly inform the other parties in the event of a breach of Client Data in their possession and shall utilize best efforts to assist the other parties to mitigate the effects of such incident.
6. Qualified Settlement Fund Account. At Client's request, CPT shall be authorized to establish one or more bank accounts at an Approved Bank. The amounts held at the Approved Bank under this Agreement are at the sole risk of Client. Without limiting the generality of the foregoing, CPT shall have no responsibility or liability for any diminution of the funds that may result from the deposit thereof at the Approved Bank, including deposit losses, credit losses, or other claims made against the Approved Bank. It is acknowledged and agreed that CPT has acted reasonably and prudently in depositing funds at an Approved Bank, and CPT is not required to conduct diligence or make any further inquiries regarding such Approved Bank.
7. Fees and Payment. Pricing stated within the proposal is good for 90 Days. All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the Client data and/or notice documents. Client will be invoiced for any remaining fees according to the applicable Order. Pricing stated within any proposal from CPT to Client is for illustrative purposes only, and is only binding upon an Order executed by CPT and Client. Payment of fees will be due within 30 days after the date of the invoice, except where this Agreement expressly prescribes other payment dates. All fees set forth in an Order are in U.S. dollars, must be paid in U.S. dollars, and are exclusive of taxes and applicable transaction processing fees. Late payments hereunder will incur a late charge of 1.5% (or the highest rate allowable by law, whichever is lower) per month on the outstanding balance from the date due until the date of actual payment. In addition, Services are subject to suspension for failure to timely remit payment therefor. If travel is required to effect Services, Client shall reimburse CPT for pre-approved, reasonable expenses arising from and/or relating to such travel, including, but not limited to, airfare, lodging, meals, and ground transportation.
8. Term and Termination.
- a) Term. The Term is set forth in the Order. The Agreement may be renewed by mutual written agreement of the parties.
- b) Termination for Cause. Either party may immediately terminate this Agreement if the other party materially breaches its obligations hereunder, and, where capable of remedy, such breach has not been materially cured within forty-five (45) days of the breaching party's receipt of written notice describing the breach in reasonable detail.
- c) Bankruptcy Events. A party may immediately terminate this Agreement if the other party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.
- d) Effect of Termination. Immediately following termination of this Agreement, upon Client's written request, Client may retrieve Client Data via Client's secure FTP site in the same format in which the Client Data was originally inputted into the Software, at no additional charge. Alternatively, Client Data can be returned in a mutually agreed format at a scope and price to be agreed. CPT will maintain a copy of Client Data and Client Content for no more than four (4) years following the date of the final check cashing deadline for Class Members under the Settlement Agreement, after which time any Client Data and Client Content not retrieved will be destroyed.
- e) Final Payment. If Client terminates this Agreement due to Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination," Client shall pay CPT all fees invoiced through the termination date, plus all fees remaining to be invoiced during the Term, less any costs CPT would have incurred had the Agreement not been terminated.

Confidentiality. Each of the parties agrees: (i) not to disclose any Confidential Information to any third parties except as mandated by law and except to those subcontractors of CPT providing Products hereunder who agree to be bound by confidentiality obligations no less stringent than those set forth in this Agreement; (ii) not to use any Confidential Information for any purposes except carrying out such party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such party uses to protect its own confidential information; provided, however, that such party shall use at least reasonable care. These obligations shall survive termination of this Agreement.

- a. Compelled Disclosure. If receiving party is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of law, such party shall (i) promptly notify the

other party, (ii) reasonably cooperate with the other party in such party's efforts to prevent or limit such compelled disclosure and/or obtain confidential treatment of the items requested to be disclosed, and (iii) shall disclose only that portion of such information which each party is advised by its counsel in writing is legally required to be disclosed.

- b. Remedies. If either party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other party shall be entitled to seek equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.
10. Intellectual Property. As between the parties, CPT will and does retain all right, title and interest (including, without limitation, all Intellectual Property Rights) in and to the Products. Client retains all ownership rights to Client Data.
11. Indemnification. Client agrees to indemnify, defend, and hold harmless CPT, its Affiliates, and the respective officer, directors, consultants, employees, and agents of each (collectively, Covered CPT Parties") from and against any and all third party claims and causes of action, as well as related losses, liabilities, judgments, awards, settlements, damages, expenses and costs (including reasonable attorney's fees and related court costs and expenses) (collectively, "Damages") incurred or suffered by CPT which directly relate to or directly arise out of (i) Client's breach of this Agreement; (ii) CPT's performance of Services hereunder; (iii) the processing and/or handling of any payment by CPT; (iv) any content, instructions, information or Client Data provided by Client to CPT in connection with the Services provided by CPT hereunder. The foregoing provisions of this section shall not apply to the extent the Damages relate to or arise out of CPT's willful misconduct. To obtain indemnification, indemnitee shall: (i) give written notice of any claim promptly to indemnitor; (ii) give indemnitor, at indemnitor's option, sole control of the defense and settlement of such claim, provided that indemnitor may not, without the prior consent of indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases indemnitee of all liability; (iii) provide to indemnitor all available information and assistance; and (iv) not take any action that might compromise or settle such claim.
12. Warranties. Each party represents and warrants to the other party that, as of the date hereof: (i) it has full power and authority to execute and deliver the Agreement; (ii) the Agreement has been duly authorized and executed by an appropriate employee of such party; (iii) the Agreement is a legally valid and binding obligation of such party; and (iv) its execution, delivery and/or performance of the Agreement does not conflict with any agreement, understanding or document to which it is a party. CPT WARRANTS THAT ANY AND ALL SERVICES PROVIDED BY IT HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL MANNER CONSISTENT WITH PREVAILING INDUSTRY STANDARDS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CPT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.
13. Liability.
- a. Liability Cap. EXCEPT FOR A PARTY'S WILLFUL MISCONDUCT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, WILL BE LIMITED TO THE TOTAL CLAIMS ADMINISTRATOR FEES PAID OR PAYABLE BY CLIENT TO CPT HEREUNDER. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT EXPAND SUCH LIMIT. THE PARTIES ACKNOWLEDGE THAT THE FEES AGREED UPON BETWEEN CLIENT AND CPT ARE BASED IN PART ON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ANY ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE FOREGOING LIMITATION SHALL NOT APPLY TO A PARTY'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.
- b. Exclusion of Consequential Damages. NEITHER PARTY WILL BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR ANY OTHER INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
14. Communications. CPT may list Client's name and logo alongside CPT's other clients on the CPT website and in marketing materials, unless and until Client revokes such permission. CPT may also list the Case name and/or number, and certain Qualified Settlement Fund information, on the CPT website and in marketing materials, unless stated otherwise in the Settlement Agreement.
15. Miscellaneous Provisions.
- a. Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California and

the federal laws of the United States of America, without regard to conflict of law principles. CPT and Client agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of Orange, and each of CPT and Client hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.

- b. Force Majeure. Neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including without limitation acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such party's reasonable control, provided that the delayed party: (i) gives the other party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.
- c. Counterparts. This Agreement may be executed in any number of counterparts and electronically, each of which shall be an original but all of which together shall constitute one and the same instrument.
- d. Entire Agreement. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the parties with respect to such subject matter. The schedules and exhibits hereto constitute a part hereof as though set forth in full herein.
- e. Modifications. Any modification, amendment, or addendum to this Agreement must be in writing and signed by both parties.
- f. Assignment. Neither party may assign this Agreement or any of its rights, obligations, or benefits hereunder, by operation of law or otherwise, without the other party's prior written consent; provided, however, either party, without the consent of the other party, may assign this Agreement to an Affiliate or to a successor (whether direct or indirect, by operation of law, and/or by way of purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such party, where the responsibilities or obligations of the other party are not increased by such assignment and the rights and remedies available to the other party are not adversely affected by such assignment. Subject to that restriction, this Agreement will be binding on, inure to the benefit of, and be enforceable against the parties and their respective successors and permitted assigns.
- g. No Third Party Beneficiaries. The representations, warranties and other terms contained herein are for the sole benefit of the parties hereto and their respective successors and permitted assigns, and shall not be construed as conferring any rights on any other persons.
- h. Statistical Data. Without limiting the confidentiality rights and Intellectual Property Rights protections set forth in this Agreement, CPT has the perpetual right to use aggregated, anonymized, and statistical data ("Statistical Data") derived from the operation of the Software, and nothing herein shall be construed as prohibiting CPT

from utilizing the Statistical Data for business and/or operating purposes, provided that CPT does not share with any third party Statistical Data which reveals the identity of Client, Client's Class Members, or Client's Confidential Information.

- i. Export Controls. Client understands that the use of CPT's Products is subject to U.S. export controls and trade and economic sanctions laws and agrees to comply with all such applicable laws and regulations, including the Export Administration Regulations maintained by the U.S. Department of Commerce, and the trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control.
- j. Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.
- k. Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, sent by electronic delivery, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other party first written above or at such other address as may hereafter be furnished in writing by either party hereto to the other party. Such notice will be deemed to have been given as of the date it is delivered, if by personal delivery; the next business day, if deposited with an overnight courier; upon receipt of confirmation of electronic delivery (if followed up by such registered or certified mail); and five days after being so mailed.
- l. Independent Contractors. Client and CPT are independent contractors, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between Client and CPT. Each party understands that it does not have authority to make or accept any offers or make any representations on behalf of the other. Neither party may make any statement that would contradict anything in this section.
- m. Subcontractors. CPT shall notify Client of its use of any subcontractors to perform Client-specific Services. CPT shall be responsible for its subcontractors' performance of Services under this Agreement.
- n. Headings. The headings of the sections of this Agreement are for convenience only, do not form a part hereof, and in no way limit, define, describe, modify, interpret or construe its meaning, scope or intent.
- o. Waiver. No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power or remedy.
- p. Survival. Sections of the Agreement intended by their nature and content to survive termination of the Agreement shall so survive.

EXHIBIT 8



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	145
Opt Out Rate	N/A
Opt Outs Received	
Total Class Claimants	145
Subtotal Admin Only	\$3,250.00

Not-to-Exceed Total \$3,250.00

For 145 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

April 8, 2022

Case: Trejo v Stratolaunch PAGA Admin wLanguage

Phoenix Contact: Jarrod Salinas

Contact Number: 800-523-5773

Email: Jarrod@phoenixclassaction.com

Requesting Party: Janis Lopez

Firm: Messrelian Law

Contact Number: (818) 484-6531

Email: janis@messrelianlaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PSA will need to adjust this Estimate accordingly.

Estimate is based on 145 Class Members. PSA assumes class data will be sent in Microsoft Excel or other usable format with no or reasonable additional formatting needed. A rate of \$150 per hour will be charged for any additional analysis or programming.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$150.00	1	\$150.00
Programming Database & Setup	\$150.00	1	\$150.00
Toll Free Setup*	\$27.18	1	\$27.18
Call Center & Long Distance	\$2.00	15	\$29.00
NCOA (USPS)	\$25.00	1	\$25.00
Language Translation	\$250.00	1	\$250.00
Total			\$631.18

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Check & Postage

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.25	145	\$36.25
Notice and Check Packet	\$1.75	145	\$253.75
Estimated Postage (up to 1 oz.)*	\$0.58	145	\$84.10
Total			\$574.10

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$50.00	2	\$100.00
Skip Tracing Undeliverables	\$1.50	22	\$32.63
Remail Notice Packets	\$1.70	22	\$36.98
Estimated Postage	\$0.58	22	\$12.62
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$232.22

Database Programming

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$125.00	1	\$125.00
Case Manager	\$85.00	1	\$85.00
Total			\$210.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	1	\$125.00
Disbursement Review	\$125.00	1	\$125.00
Programming Manager	\$95.00	1	\$95.00
QSF Bank Account & EIN	\$50.00	1	\$50.00
Check Run Setup & Printing	\$125.00	1	\$125.00
Total			\$520.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT 9