

STIPULATION OF CLASS AND PAGA SETTLEMENT

This Stipulation of Class and PAGA Settlement (“**Settlement Agreement**”) is reached by and between Plaintiff Mayra Corina Gonzalez (“**Plaintiff**”), individually and on behalf of all Class Members (including Aggrieved Employees), defined below, and Flight Services & Systems, Inc. (“**FSS**” or “**Defendant**”), (Plaintiff and Defendant are referred to herein as the “**Parties**”). Plaintiff and Class Members (including Aggrieved Employees) are represented by Daniel J. Brown of Stansbury Brown Law, PC (“**Class Counsel**”). Defendant FSS is represented Kathy H. Gao of Morgan, Lewis & Bockius LLP.

Plaintiff Gonzalez filed a class action complaint against Defendant FSS on February 3, 2022, in Santa Clara County Superior Court, Case No. 22CV393952, which alleges causes of action for: (1) minimum wage violations (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to reimburse for necessary business expenses; (6) wage statement violations; (7) waiting time penalties; (8) unfair competition; and, (9) violations of Labor Code § 204. Plaintiff Gonzalez filed a First Amended Class and Representative Action Complaint (“**FAC**”) on April 15, 2022, to add an additional cause of action for civil penalties under the Private Attorneys General Act (“**PAGA**”) pursuant to Labor Code Sections 2698 *et seq.* based on claims asserted in the PAGA letter that Plaintiff submitted to the California Labor & Workforce Development Agency (“**LWDA**”) on February 3, 2022, in Case No. LWDA-CM-866352-22 (“**PAGA Letter**”). The Complaint, FAC, and PAGA Letter are referred to herein as the “**Pleadings**.” On June 2, 2022, pursuant to the Parties’ stipulation, the case was transferred to Fresno County Superior Court, Case No. 22CECG03200 (the “**Lawsuit**”).

On December 16, 2022, and continuing thereafter in subsequent negotiations that occurred between then and the present, the Parties, represented by their respective counsel of record, privately mediated the Lawsuit, before Mariam Zadeh, Esq., of Resolve Consulting. Prior to mediation, the Parties conducted significant investigation of the facts and law. This included review and analysis of Defendant’s policies and putative class members’ time records and payroll records. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff’s claims, the defenses thereto, and the damages and penalties claimed by Plaintiff in the Lawsuit. As a result of the Parties’ thorough investigation of the allegations and defenses thereto, they were able to reach an agreement at the mediation after extensive negotiations.

Given the risks and uncertainties of litigation, the Parties have agreed to settle this Lawsuit on the terms set forth herein and subject to the approval of Court. Nothing herein shall be construed as an admission of any wrongdoing or of liability as the Settlement Agreement is intended solely to allow the Parties to buy their peace and resolve disputed claims.

1. **Certification for Settlement Purposes.** For the purposes of this Settlement Agreement only, the Parties stipulate to certification of the following Class:
 - A. The “**Class**” (or “**Class Members**”) is defined as all current and former non-exempt employees of Defendant Flight Services & Systems, Inc. who worked for Defendant at

Fresno Yosemite International Airport at any time during the period of February 3, 2018 through August 31, 2022 (the “**Class Period**”).

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure or Federal Rule of Civil Procedure Rule 23.

If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations. If the Court does not enter the Order granting final approval and/or does not enter judgment consistent with this Settlement Agreement, then this Settlement Agreement shall be deemed null and void *ab initio*, it shall be of no force or effect whatsoever, it shall not be referred to or utilized for any purpose whatsoever, and the negotiation, terms and entry of the Settlement Agreement shall remain subject to the provisions of Federal Rules of Evidence 408 and California Evidence Code sections 1119 and 1152, and any other analogous rules of evidence that are applicable. To the extent this Settlement Agreement is deemed void or the Effective Date (defined below) does not occur, the Parties agree that Defendant does not waive, but rather expressly reserves, all rights to challenge all such claims and allegations in the Lawsuit upon all procedural and factual grounds, as well as asserting any and all other potential defenses or privileges.

2. **Releases.**

- A. **Released Parties.** As referenced herein, **Released Parties** shall collectively mean: Defendant Flight Services & Systems, Inc. and all its affiliated parties and entities, including its past and present affiliates, parents, subsidiaries, predecessors, owners, successors, shareholders, divisions, and each of these entities’ past and present directors, officers, managing agents, employees, partners, benefit plans, shareholders and representatives.
- B. **Released Class Claims.** All Class Members who do not opt out of the settlement (collectively, “**Settlement Class Members**”) release Released Parties from any and all wage and hour and/or wage payment claims, obligations, demands, actions, rights, causes of action, and liabilities (including state statutory and common law claims) that accrued or arose during the Class Period that were alleged, or reasonably could have been alleged, based on the facts stated in the operative FAC and/or Plaintiff’s PAGA Letter, including: (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods; (d) failure to provide rest periods; (e) failure to reimburse for necessary business expenses; (f) failure to provide accurate, itemized wage statements; (g) failure to pay final wages and/or waiting time penalties; (h) unfair competition; (i) failure to timely pay wages; (j) all other claims that are or were asserted or that could have been asserted based on the facts alleged in the FAC and/or Plaintiff’s PAGA Letter to the LWDA; and (k) penalties (including civil, statutory, and/or wage penalties, based on the underlying Labor Code violations), liquidated damages, interest, attorneys’ fees, litigation costs, restitution, equitable relief, or additional damages which allegedly arise from the claims described in (a) through (k) above under any

applicable law. This release specifically includes the following statutory claims: any and all claims that were pled or that could have been pled based on the facts alleged in the FAC and/or Plaintiff's PAGA Letter to the LWDA arising under the California Labor Code, including, §§ 201-204, 210, 226, 226.7, 510, 512, 516, 551, 552, 558, 558.1, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2698 *et seq.*, 2699 *et seq.*, 2802, 2804, California Business & Professions Code §§ 17200, *et seq.*, and Wage Order No. 9 §§ 3, 4, 5(A), 7, 11, 12 (collectively "**Released Class Claims**"). The release extends to the limits of the Class Period.

- C. **Released PAGA Claims.** Plaintiff and all current and former non-exempt employees of Defendant Flight Services & Systems, Inc. who worked for Defendant at Fresno Yosemite International Airport at any time during the period of February 3, 2021 up to August 31, 2022 (the "**PAGA Period**") (collectively, "**Aggrieved Employees**") will release the Released Parties from any and all claims for PAGA civil penalties that accrued or arose during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the operative FAC and/or Plaintiff's PAGA Letter, including: (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods; (d) failure to provide rest periods; (e) failure to reimburse for necessary business expenses; (f) failure to provide accurate, itemized wage statements; (g) failure to pay final wages and/or waiting time penalties; and (h) failure to timely pay wages. This release specifically includes claims for civil penalties under the PAGA that were pled or that could have been pled based on the facts alleged in the FAC and/or Plaintiff's PAGA Letter arising under California Labor Code sections §§ 201-204, 210, 226, 226.7, 510, 512, 516, 551, 552, 558, 558.1, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2698 *et seq.*, 2699 *et seq.*, 2802, 2804, and Wage Order No. 9 §§ 3, 4, 5(A), 7, 11, 12 (collectively "**Released PAGA Claims**"). The release extends to the limits of the PAGA Period.

D. **Plaintiff's General Release Including of Unknown Claims.**

As a material inducement to Defendant to enter into this Settlement Agreement, in addition to Plaintiff's release of the Released Class Claims and Released PAGA Claims, (defined below), Plaintiff does hereby, for herself and her spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, forever completely release and discharge the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, contracts, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including for back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the beginning of time through the execution of this Settlement Agreement, whether known or unknown, suspected or unsuspected, concealed or hidden, including but not limited to all claims arising out of, based upon, or relating to Plaintiff's employment with Defendant or the remuneration for or termination of such employment (collectively, "Plaintiff's Released Claims"). Without limiting the generality of the foregoing, Plaintiff's

Released Claims also expressly includes a release of: (a) any and all claims under Title VII of the Civil Rights Act of 1964, as amended (“Title VII”), the Americans with Disabilities Act (“ADA”), the Employee Retirement Income Security Act, as amended (“ERISA”) (regarding unvested benefits), the Family and Medical Leave Act (“FMLA”) (regarding existing but not prospective claims), the Fair Labor Standards Act (“FLSA”), the Equal Pay Act, the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Fair Credit Reporting Act (“FCRA”), the Worker Adjustment and Retraining Notification Act (“WARN Act”), the National Labor Relations Act (“NLRA”), the Uniform Services Employment and Reemployment Rights Act (“USERRA”), the Genetic Information Nondiscrimination Act (“GINA”), the Immigration Reform and Control Act (“IRCA”), the FEHA, the California Constitution, the California Family Rights Act (“CFRA”), the California Labor Code (including PAGA) and applicable Wage Order(s), the Unfair Competition Law, all as amended by their respective implementing regulations, and any other federal, state or local law, (statutory, regulatory, or otherwise) that may be legally waived and released; however the identification of specific statutes or law shall not limit the scope of this general release in any manner; and (b) any and all claims for backpay, regular pay, minimum wages, premium pay, overtime pay, other wages, expenses, penalties, failure to provide meal and/or rest periods, failure to reimburse business expenses, compensatory damages, special damages, interest, restitution, tort claims, contract claims, equitable claims, hostile work environment claims, workplace harassment claims, wrongful termination claims, discrimination claims, public policy claims, retaliation claims, failure to provide reasonable accommodation claims, failure to engage in the interactive process claims, failure to prevent discrimination claims, failure to prevent retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and/or attorneys’ fees and costs (hereinafter, “General Released Claims”).

Plaintiff agrees to release, in addition to the Released Class Claims, Released PAGA Claims, and General Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Plaintiff understands that this release includes unknown claims and that she is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

Plaintiff, on behalf of herself and the Participating Members, acknowledges and agrees that the claims for unpaid wages, meal and rest period violations, and untimely payment of wages in the Lawsuit are disputed and that the payments set forth herein constitute payment of all sums allegedly due to her. Plaintiff, on behalf of herself and the Participating Members, acknowledge and agree that

California Labor Code section 206.5 is not applicable to the Parties hereto. However, to the extent that Plaintiff has claims that cannot be released as a matter of law (i.e., workers' compensation claims), then those claims will not be released.

3. **Settlement Payment.** In exchange for the releases set forth in this Settlement Agreement, Defendant agrees to pay a common fund Seven Hundred Fifty Thousand Dollars (\$750,000) ("**Maximum Settlement Amount**" or "**MSA**") in full and complete settlement of this matter, subject to Paragraphs (3)(E) - (F) below, as follows:

- A. **Funding of the Maximum Settlement Amount.** Defendant FSS shall fund the Maximum Settlement Amount within 15 business days of the Settlement Administrator providing Defendant with wiring instructions and the final amount to be wired after the "Effective Date" which shall be defined as the latest of the following dates: (i) if no Class Member objects, intervenes, and/or files a motion to vacate the final approval and/or judgment approving the settlement, then the date on which the Court enters an Order granting final approval and judgment; (ii) if a Class Member objects, intervenes, and/or files a motion to vacate the final approval and/or judgment approving the settlement, then the day after the last date on which any appeal might be filed; or (iii) if a timely appeal is filed, the date of the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review).
- B. **Disbursement of Maximum Settlement Amount.** Within twenty-one (21) calendar days following the full funding of the Maximum Settlement Amount with the Settlement Administrator by Defendant, the Settlement Administrator will calculate Participating Member Payments (defined below) and mail Participating Member Payments to Participating Members (defined below) and transfer to Class Counsel its attorney's fees and verified costs.
- C. **Releases Effective Upon Full Payment of the MSA.** The releases identified in Paragraphs 2(A) - (D) becoming effective are conditioned upon Defendant's payment of the entire Maximum Settlement Amount. If Defendant fails to fully fund the MSA, the releases described above will be null and void.
- D. **Non-revisionary.** This is a non-reversionary settlement. The Maximum Settlement Amount Includes:
- i. All payments to the Participating Members;
 - ii. **Settlement Administrator.** All fees and expenses of the Settlement Administrator associated with the administration of the settlement, which are anticipated to be no greater than Eight Thousand Dollars and Zero Cents (\$8,000.00). The Parties agree to the appointment of Phoenix Settlement Administrators as the settlement administrator ("**Settlement Administrator**") and to Class Counsel seeking Court approval to pay up to Eight Thousand Dollars and Zero Cents (\$8,000.00) from the Maximum Settlement Amount for the Settlement Administrator's services. The Settlement Administrator shall be

responsible for sending all required notices in both English and Spanish, providing written reports to Class Counsel and Defendant's counsel that, among other things, tally the number of Class Notices mailed or re-mailed, Class Notices returned as undeliverable, Requests for Exclusion, objections, and disputes received from Class Members, calculating the Net Settlement Amount (defined below), calculating each Participating Member's Participating Member Payment, preparing all checks and mailings and disbursing all funds resulting from uncashed settlement checks as set forth in Paragraph 4(C), and providing declarations regarding the Settlement Administrator's background and services for preliminary approval, attesting to its due diligence and compliance with all of its obligations under this Settlement Agreement for final approval, and a final report detailing disbursement of the Maximum Settlement Amount in compliance with the order granting final approval. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after checks have been mailed to all Aggrieved Employees and Settlement Class Members (collectively "**Participating Members**");

Qualified Settlement Fund. The Parties agree that the Settlement Administrator shall establish a Qualified Settlement Fund ("QSF") that is intended to be pursuant to Section 468B of the Code and Treas. Reg. §1.468B-1, 26 CFR § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. With respect to the QSF, the Settlement Administrator shall: (1) open and administer a settlement account in such a manner as to qualify and maintain the qualification of the QSF as a "Qualified Settlement Fund" under Section 468B of the Code and Treas. Reg. §1.468B-1; (2) satisfy all federal, state and local income and other tax reporting, return, and filing requirements with respect to the QSF; and (4) satisfy out of the QSF all fees, expenses, and costs incurred in connection with the opening and administration of the QSF and the performance of its duties and functions as described in this Settlement Agreement. The aforementioned fees, costs, and expenses shall be treated as and included in the costs of administering the QSF and as Settlement Administration costs;

- iii. Enhancement Payment. Up to Five Thousand Dollars (\$5,000) for an Enhancement Payment to Plaintiff subject to Court approval ("**Enhancement Payment**"). Defendant will not object to a request for a Class Representative Enhancement Payment for Plaintiff in exchange for the general release of her claims, her time and risks in prosecuting this case, and her service to the Class. This payment will be in addition to Plaintiff's Participating Member Payment (defined below) as a Participating Member. It is the intent of the Parties that the Enhancement Payment to Plaintiff is for her service in connection with this Lawsuit and is not wages, therefore the Settlement Administrator shall not withhold any taxes from the Enhancement Payment and shall report it on an IRS Form 1099, which shall be provided to Plaintiff and to the pertinent taxing authorities as required by law. Although it is the contemplation of the Parties that the Enhancement Payment does not represent wages, the Internal Revenue

Service, the California Franchise Tax Board, or some other taxing authority may take the position that some or all of the Enhancement Payment constitute wages for income tax and withholding purposes. Plaintiff agrees to assume all responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts required by law, if any, to be withheld by Defendant and/or the QSF from the Enhancement Payment paid under this Settlement Agreement, and all liability associated therewith. In the event that the Court reduces or does not approve the requested Enhancement Payment, (a) the Settlement Agreement remains in full force and effect, and (b) Plaintiff shall not have the right to revoke the settlement for that reason, and it shall remain binding;

- iv. Class Counsel Fees and Costs. Up to one third (1/3) of the Maximum Settlement Amount in attorneys' fees, which is currently estimated to be Two Hundred Fifty Thousand Dollars (\$250,000.00), plus up to Twenty Thousand Dollars (\$20,000.00) in verified costs and expenses related to the Lawsuit as supported by declaration. In the event that the Court reduces or does not approve Class Counsel's requested fees and costs, (a) the Settlement Agreement remains in full force and effect, and (b) Plaintiff and/or Class Counsel shall not have the right to revoke the settlement for that reason, and it shall remain binding. If the Maximum Settlement Amount increases pursuant to Paragraph 3(F), the amount of fees requested by Class Counsel will increase proportionally such that the requested award is one third of the MSA. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised, responses to any intervenors and any appeals necessitated by those objections or intervenors. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when it pays the fee award as approved by the Court; and
- v. PAGA Amount. Twenty Thousand Dollars (\$20,000.00) of the Maximum Settlement Amount has been agreed by the Parties to be allocated toward PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Fifteen Thousand Dollars (\$15,000.00), will be payable to the LWDA ("**LWDA Payment**"), and the remaining twenty-five percent (25%), or Five Thousand Dollars (\$5,000.00), will be payable to the Aggrieved Employees as the "**PAGA Amount.**" The LWDA Payment and PAGA Amount are collectively referred to herein as the "**PAGA Payment.**"
- vi. Any unapproved or unrequested amounts listed above in Paragraph 3(D) shall be added to the Net Settlement Amount (defined below) for distribution as Participating Member Payments.

E. **Payroll Tax Payments.** Defendant's share of payroll taxes shall be paid by Defendant in addition to the Maximum Settlement Amount.

F. **Settlement Class Escalator Clause.** Defendant represents that as of August 31, 2022, approximately 269 Class Members worked a combined approximately 18,610 workweeks during the Class Period. If the actual number of Class Members or workweeks worked during the Class Period is seven and a half percent (7.5%) more than the above numbers, Defendant shall increase the Maximum Settlement Amount on a pro-rata basis equal to the increase in the number of Class Members or workweeks above the 7.5% increase (e.g., if the number of Class Members or workweeks worked during the Class Period increases by 25%, Defendant will increase the Maximum Settlement Amount by 17.5%).

4. **Preliminary Approval.**

A. Plaintiff shall apply to the Court for the entry of an Order:

- i. Conditionally certifying the Class for purposes of settlement;
- ii. Appointing Daniel J. Brown of Stansbury Brown Law, PC as Class Counsel;
- iii. Appointing Mayra Corina Gonzalez as the Class Representative for the Class;
- iv. Approving Phoenix Settlement Administrators as Settlement Administrator;
- v. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- vi. Approving the form and content of the Class Notice, and directing the mailing of same in English and Spanish;
- vii. Scheduling a final approval hearing; and
- viii. Plaintiff shall submit the proposed settlement to the LWDA pursuant to Labor Code § 2699(1)(2). Proof of this submission will be provided to the Court and to Defendant's counsel.

B. Class Counsel will prepare and file the preliminary approval motion papers, but will send the preliminary approval motion papers to Defendant's counsel for their review, comment, and approval at least two weeks prior to their filing. Defendant's counsel will prepare the proposed order granting preliminary approval.

5. **Notice Procedures.** Following preliminary approval, Class Members shall be notified as follows:

- A. Within thirty (30) calendar days after entry of an order preliminarily approving this Settlement Agreement, Defendant will provide the Settlement Administrator with a class list including the names, last known addresses, and social security numbers (in electronic format) of Class Members, as well as the workweeks worked by each Class Member during the Class Period and, if the Class Member also qualifies as an Aggrieved Employee, the number of workweeks worked during the PAGA Period. The class list information shall be used by the Settlement Administrator solely for the purpose of administering the settlement. The class list information shall be kept confidential by the Settlement Administrator and none of its contents shall be disclosed, shared with, or communicated to Class Counsel.
- B. Within seven (7) calendar days of receipt of the class list information, the Settlement Administrator shall: (i) run the names of all Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Class Members; (ii) update the addresses of any Class Member for whom an updated address was found through the NCOA search; and (iii) mail the Class Notice to each Class Member in English and Spanish at their last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. The Settlement Administrator shall use its best professional efforts, including utilizing a “skip trace,” to track any Class Member’s Class Notice returned as undeliverable, and will re-send the Class Notice promptly upon identifying updated mailing addresses through such efforts. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Class Member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.
- D. **Opt-Out/Request for Exclusion Procedures.** Any Class Member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Class Notice (the “**Response Deadline**”).
 - i. The Request for Exclusion must: (1) contain the name, address, and telephone number of the Class Member; (2) contain a statement that the Class Member wishes to be excluded from the settlement; (3) be signed by the Class Member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion fails to comply with these four items, it will not be deemed a valid Request for Exclusion from this settlement, except a Request for Exclusion not containing a Class Member’s telephone number still will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted.

Any Class Member who requests to be excluded from the settlement will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement or have any right to object, intervene, appeal, or comment thereon. Any Class Member who does not submit a Request for Exclusion is automatically deemed a Settlement Class Member. A Class Member who submits a valid Request for Exclusion will not participate in or be bound by the settlement and the judgment, except that a Class Member who also qualifies as an Aggrieved Employee will still be paid their individual share of the PAGA Amount and will remain bound by the release of the Released PAGA Claims regardless of their Request for Exclusion and/or whether they cash their check for their Participating Member Payment.

- E. **Objections.** Class Members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall send all objections as received to Class Counsel and Defendant's counsel). Class Counsel shall file any objections received from the Settlement Administrator. Defendant's counsel and Class Counsel shall file responses to any objections no later than the deadline to file the Motion for Final Approval, unless filed within ten (10) calendar days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) calendar days to file their response. To be valid, any objection must: (1) contain the objecting Class Member's full name and current address; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked on or before the Response Deadline.
- F. **Challenges to Participating Member Payment Calculations.** Each Class Notice mailed to a Class Member shall disclose the amount of the Class Member's number of workweeks worked during the Class Period and the PAGA Period, if applicable. Class Members will have the opportunity, should they disagree with Defendant's records regarding the number of estimated workweeks stated in their Class Notice to challenge the data provided. In order to challenge Defendant's data, the Class Member must provide documentation and/or an explanation demonstrating that Defendant's data is incorrect and evidencing the correct number of workweeks worked during the Class Period and/or PAGA Period that the Class Member believes they should have been credited with and/or evidence of the correct date their employment started and ended. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. The Settlement Administrator shall provide a copy of the challenge and any supporting documentation to counsel for the Parties within five (5) calendar days of receipt.
- G. **Dispute Resolution.** The Settlement Administrator shall have the responsibility of resolving all disputes that arise during the settlement administration process, including, without limitation, disputes (if any) regarding the calculation of a Class Member's Participating Member Payment, the allocation of W-2 wages, and the number of workweeks worked during the Class Period and/or PAGA Period. Where the

information submitted by Defendant from its records differs from the information submitted by the Class Member, the Settlement Administrator shall request a conference call between the Settlement Administrator, Class Counsel, and defense counsel to discuss and resolve the dispute. After consulting with the Parties to determine whether an adjustment is warranted, the Settlement Administrator will finally determine the eligibility for and amount of any Participating Member Payment. Such determination shall be binding upon the Class Member and the Parties.

6. **Final Approval Process.**

- A. Following preliminary approval and the close of Response Deadline under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:
 - i. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
 - ii. Approving Plaintiff's application for Settlement Administrator's fees and expenses, Plaintiff's Enhancement Payment, Class Counsel's attorneys' fees, Class Counsel's costs and expenses, and the PAGA Payment; and
 - iii. Entering judgment pursuant to California Rule of Court 3.769.
- B. If final approval is granted, Plaintiff shall submit a copy of the Superior Court's judgment to the LWDA after entry of the judgment or order, pursuant to Labor Code § 2699(1)(3).
- C. Class Counsel will prepare and file the final approval motion papers, but will send the final approval motion papers to Defendant's counsel for their review, comment, and approval at least two weeks prior to their filing. Defendant's counsel will prepare the proposed order granting final approval and judgment.
- D. Upon the Effective Date, each Participating Member shall be deemed to have fully, finally, and forever released the Released Parties from the Released Class Claims through the end of the Class Period, and each Aggrieved Employee shall be deemed to have fully, finally, and forever released the Released Parties from the Released PAGA Claims through the end of the PAGA Period. These releases will take effect whether or not a Participating Member cashes or deposits any check for their Participating Member Payment.
- E. Also upon the Effective Date, Plaintiff shall be deemed to have fully, finally, and forever released the Released Parties from all of the Released Class Claims, Released PAGA Claims, and General Released Claims through the date the Court orders final approval.
- F. Plaintiff and Defendant intend that the settlement described in this Settlement Agreement will release and preclude any further claim, whether by lawsuit, administrative claim, arbitration, demand, or other action of any kind, by each and all

of the Participating Members (and by each and all of the Aggrieved Employees as to the Released PAGA Claims) to obtain a recovery based on, arising out of, and/or related to any and all of the Released Class Claims. Class Members shall be so notified in the Class Notice. This paragraph does not apply to any Class Member who timely and validly opts out of the settlement.

7. **Participating Member Payment Procedures.** Class Members are not required to submit a claim form to receive their share of the settlement (“**Participating Member Payment**”). As to a Class Member who opts out of the settlement by submitting a valid Request for Exclusion, the Class Member’s Participating Member Payment will not be paid to the Class Member and will be added to the Net Settlement Amount and re-distributed among Settlement Class Members. Participating Member Payments will be determined and paid as follows:

A. **Net Settlement Amount:** The Net Settlement Amount or “NSA” is the amount available for distribution to Participating Members after the following deductions are made from the Maximum Settlement Amount: (a) all costs of settlement administration; (b) Enhancement Payment to Plaintiff; (c) the LWDA Payment; and (d) costs and attorneys’ fees for Class Counsel. From the Net Settlement Amount, the Settlement Administrator will calculate each Participating Member Payment based on the following formula:

- i. **PAGA Amount.** Each Aggrieved Employee shall receive a portion of the Five Thousand Dollars (\$5,000.00) that has been designated as the PAGA Amount based on their proportionate share of workweeks worked during the PAGA Period, by multiplying the PAGA Amount by a fraction, the numerator of which is the Aggrieved Employee’s workweeks worked during the PAGA Period, and the denominator of which is the total workweeks worked during the PAGA Period for all Aggrieved Employees. A workweek for purposes of this calculation is any calendar week in which an Aggrieved Employee worked at least one shift for FSS at Fresno Yosemite International Airport during the PAGA Period.
- ii. **Remainder.** The remainder of the Net Settlement Amount shall be distributed to each Settlement Class Member based on their proportionate share of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member’s workweeks worked during the Class Period, and the denominator of which is the total workweeks worked for all Settlement Class Members during the Class Period. A workweek for purposes of this calculation is any calendar week in which a Settlement Class Member worked at least one shift for FSS at Fresno Yosemite International Airport during the Class Period.

B. **Participating Member Payment Tax Treatment.** The Parties recognize that the Participating Member Payments to be paid to Participating Members reflect settlement of a bona fide dispute over claimed wages, statutory and civil penalties, and other alleged damages. For purposes of calculating applicable taxes and withholdings for the

Participating Member Payments described in Paragraph 4(A)(ii), twenty-five percent (25%) of each such payment shall be designated as wages subject to W-2 reporting and normal payroll withholdings; the remaining seventy-five percent (75%) of each such payment shall be designated as penalties and interest subject to IRS Form 1099 reporting with no withholdings. Additionally, 100% of the PAGA Amount paid to Aggrieved Employees shall be designated as penalties and interest subject to IRS Form 1099 reporting with no withholdings. Notwithstanding the treatment of these payments to each Participating Member above, none of the Participating Member Payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. Participating Members will be responsible for paying all other local, state, and federal taxes due on their Participating Member Payments. Other than as set forth above, the Settlement Administrator will not make any deductions, withholdings, or additional payments, including without limitation, medical or other insurance payments or premiums, employee 401(k) contributions or matching employer contributions, wage garnishments to extent permitted by law, or charity withholdings, from or with respect to the Participating Member Payments, and entry of the Order of final approval by the Court shall be deemed authority not to make any such deductions, withholdings, or additional payments.

- C. **Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS PARAGRAPH, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE

TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

- D. **Deadline to Negotiate Participating Member Payment.** Each Participating Member who receives a Participating Member Payment must negotiate the settlement check within one hundred eighty (180) calendar days from the date of issuance. The Class Notice will inform Class Members that they will have one hundred eighty (180) calendar days in which to cash their settlement check if they choose to participate in the settlement. Any funds payable to Settlement Class Members whose checks are not negotiated within one hundred eighty (180) days period will not be reissued except for good cause and as mutually agreed by the Parties in writing. If a Participating Member does not cash his or her settlement check within one hundred eighty (180) calendar days, the uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Participating Members. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Members, whether or not they cash their settlement checks. Participating Members who fail to cash their check within one hundred eighty (180) calendar days will still be bound by the settlement, including the releases of the Released Class Claims and Released PAGA Claims.
- E. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by his, her, or its own acts of omission or commission; the same is true for the Settlement Administrator.
8. **Non-Admission.** Defendant denies that it has engaged in any unlawful activity, that it has failed to comply with the law in any respect, that it has any liability to anyone under the claims asserted in the Lawsuit. There has been no determination by any agency or court as to the merits of the claims asserted by Plaintiff against Defendant. Defendant contends that but for this settlement, a class should not be certified in this Lawsuit. Nothing in this Settlement Agreement is intended or shall be construed as an admission of liability or wrongdoing by Defendant. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement.
9. **Amendments or Modifications.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by the Parties or their representatives, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

10. **Right to Void.** The Parties shall not encourage anyone to opt out of the Settlement. If 15 or more Class Members timely submit Requests for Exclusion, Defendant shall have the right (but not the obligation) to void this settlement. Defendant must exercise this right to void the settlement, if at all, within 10 calendar days before the final approval hearing. The Parties shall not encourage anyone to opt-out of the Settlement. If Defendant exercises this right and if any settlement administration costs are due and payable, Defendant agrees that it will be solely responsible for paying the outstanding settlement administration costs. Defendant shall also have the right (but not the obligation) to void this settlement if: (a) the settlement is construed in such a way that Defendant is required to pay more than the Maximum Settlement Amount (except for the employer's share of payroll taxes (Paragraph 3(E)) and subject to the escalator clause, (Paragraph 3(F)); (c) the Court does not approve the settlement releasing the claims set forth in this Settlement Agreement; or (d) Plaintiff or Class Counsel materially breach this Settlement Agreement.
11. If an order by the Court or in any appellate proceeding results in an order materially modifying, setting aside, or vacating any portion of the Settlement Agreement, with the exception of any modification of the amount of attorneys' fees or costs to be paid to Class Counsel, the amount of the Enhancement Payment paid to Plaintiff, and/or the Settlement Administrator's fees and costs, any Party adversely impacted by the order shall have the right, at its sole discretion, to treat such order as an event voiding the Settlement Agreement and preventing final approval. To exercise this right, the Party must inform the other Party and the Settlement Administrator, in writing, of the exercise of this right, within ten (10) business days of receiving notice of any order meeting the conditions set forth above. Before either Party elects to exercise its right to treat such order as an event permanently preventing final approval, that Party must meet and confer in good faith with the other Party to determine if an agreement can be reached modifying this settlement to the mutual satisfaction of the Parties along with any necessary court approval.
12. **Confidentiality.** Plaintiff and Class Counsel will strictly maintain the confidentiality of the fact and terms of the settlement except as to enforce this Settlement Agreement or communicate with Class Members after preliminary approval. Class counsel shall not discuss, promote, and/or advertise the fact and/or terms of the settlement. At any time, Plaintiff and Class Counsel agree not to respond to any press inquiries, except to refer the inquirer to the filed Settlement Agreement. Class Counsel can discuss the settlement with Class Members that contact Class Counsel's office about the settlement.
13. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery or by e-mail at the addresses of the Parties' representatives set forth below, or such other addresses as the Parties may designate in writing from time to time:

if to Defendant FSS:

Kathy H. Gao, Esq.
MORGAN, LEWIS & BOCKIUS LLP
300 South Grand Avenue, Twenty-Second Floor
Los Angeles, CA 90071
kathy.gao@morganlewis.com

if to Plaintiff:

Daniel J. Brown, Esq.
STANSBURY BROWN LAW, PC
2610 ½ Abbot Kinney Blvd.
Venice, CA 90291
dbrown@stansburybrownlaw.com

14. **Representation of No Pending Matters.** Plaintiff represents that she has not brought, participated in, or encouraged the bringing of any claims by any of Defendant's current or former employees against Defendant or any of the Released Parties that are not covered by the releases herein. Plaintiff represents that she has not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein of any claims covered by Plaintiff's release of the Released Class Claims, Released PAGA Claims, and/or General Released Claims. Class Counsel represents that they do not currently represent any person or persons who have filed any other pending claims, complaints, or grievances against Defendant and/or the Released Parties, or who are considering filing any claims, complaints, or grievances against Defendant and/or the Released Parties. Class Counsel also represents that Class Counsel has not used any information obtained from the settlement to solicit or assist any other persons or attorneys to commence a claim or proceeding against Defendant and/or the Released Parties.
15. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof. In the event that any Party shall move to enforce the provisions of this Settlement Agreement, the prevailing party shall be entitled to recover her or its expenses, including reasonable attorneys' fees, in addition to any other relief to which the Party is found entitled.
16. **Severability.** If any provision of this Settlement Agreement or the application thereof is held invalid, such invalidation shall not affect other provisions or applications of this Settlement Agreement (except as otherwise expressly provided herein) and to this end, the provisions of this Settlement Agreement are declared to be severable (except as otherwise provided).
17. **Feasibility.** Because the members of the Class are so numerous, the Parties agree that it is impossible or impractical to have each Class Member sign this Settlement Agreement. It is agreed that, for purposes of seeking approval of this class and representative action settlement, this Settlement Agreement may be executed on behalf of Class Members by Class Counsel.
18. **Drafting.** This Settlement Agreement shall be construed and interpreted as if all of its language were prepared jointly by the Parties. No language in this Settlement Agreement shall be construed against a Party on the ground that such Party drafted or proposed that language.

19. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.
20. **Failure to Obtain Preliminary Approval or Final Approval.** If the Court fails to grant either preliminary approval or final approval, or the Effective Date does not happen, the Parties' agreement to class certification as part of the settlement shall become null and void *ab initio* and shall have no bearing on and shall not be admissible in connection with the issue of whether or not class certification and/or representative treatment would be appropriate in a non-settlement context. Defendant expressly reserves its rights and declares that it will continue to oppose class certification and representative treatment and seek to enforce its arbitration agreement and litigate the substantive merits of the case should the Court fail to enter an Order granting final approval or the Effective Date does not happen. If any Settlement Administration fees and costs are due and payable, Plaintiff and Defendant agree to split those costs evenly (50% from Plaintiff; 50% from FSS).
21. **Parties' Authority.** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

EXECUTION BY PARTIES AND COUNSEL

Date: 3/31/2023

DocuSigned by:



01711DDGB168442...

Mayra Corina Gonzalez, Plaintiff

Date: _____

_____, on behalf of
Flight Services & Systems, Inc.

Approved as to form:

Date: _____

MORGAN, LEWIS & BOCKIUS LLP

Kathy H. Gao
Counsel for Defendant Flight Services &
Systems, Inc.

Date: March 31, 2023

STANSBURY BROWN LAW, PC



Daniel J. Brown
Counsel for Plaintiff and the Class

EXECUTION BY PARTIES AND COUNSEL

Date: _____

Mayra Corina Gonzalez, Plaintiff

Date: March 31, 2023 | 2:25 PM PDT

DocuSigned by:
Tonya Holt
BB72F3C9B56B45C...

Tonya Holt, on behalf of
Flight Services & Systems, Inc.

Approved as to form:

Date: 3/31/2023

MORGAN, LEWIS & BOCKIUS LLP

Kathy H. Gao

Kathy H. Gao
Counsel for Defendant Flight Services &
Systems, Inc.

Date: _____

STANSBURY BROWN LAW, PC

Daniel J. Brown
Counsel for Plaintiff and the Class