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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JACOB McKEEHAN and ROBERT MARSLEK, individually and on behalf of all others similarly situated, Plaintiff, vs. JETSUITEX, INC.; and DOES 1 through 20, inclusive, Defendants.	Case No. 22STCV24435 *Assigned for all purposes to:* *Hon. Elihu M. Berle* *Dept. 6* **DECLARATION OF KRISTY R. CONNOLLY IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT**

I, Kristy R. Connolly, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a Senior Associate with Aegis Law Firm, PC ("Aegis"), counsel for Plaintiffs in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiffs' Motion for Preliminary Approval of Class And Representative Action Settlement. If called as a witness, I could and would competently testify thereto.

Case History

3. On July 28, 2022, Plaintiff McKeehan filed this putative class action against Defendant JetSuiteX alleging the following causes of action: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to permit rest breaks; (5) failure to provide accurate itemized wage statements; (6) failure to pay wages timely during employment; (7) failure to pay all wages due upon separation of employment; and (8) violation of Business and Professions Code §§ 17200, *et seq*.; for the preceding claims (the "McKeehan Class Action").

4. On July 28, 2022, Plaintiff McKeehan also provided written notice to the LWDA and JetSuiteX regarding the alleged Labor Code violations asserted in the McKeehan Class Action, as required by Labor Code section 2699.3(a). The LWDA did not respond to this notice, indicating it did not intend to investigate, thus allowing Plaintiff McKeehan to bring a PAGA claim against JetSuiteX. Therefore, on October 6, 2022, Plaintiff McKeehan filed a separate action in the Los Angeles Superior Court alleging a single PAGA claim. Plaintiff McKeehan's PAGA-only case is captioned *McKeehan v. Jetsuitex, Inc., et al.*, Case No. 22STCV32816 (the "McKeehan PAGA Action").

5. On September 27, 2022, JetSuiteX removed the McKeehan Class Action to the United States District Court, Central District of California. Plaintiff McKeehan then brought a Motion to Remand on the grounds that Defendant failed to allege that the amount in controversy exceeds $5 million as required by the Class Action Fairness Act of 2005. After briefing by both

Parties, the District Court granted Plaintiff's motion and remanded the action back to the Los Angeles Superior Court.

6. Following remand, JetSuiteX then brought a Motion to Compel Arbitration of Plaintiff McKeehan's individual claims in the McKeehan Class Action. On June 21, 2023, the Court granted Defendant's motion and compelled Plaintiff to arbitrate his individual claims pending in the McKeehan Class Action. On September 6, 2023, Plaintiff McKeehan submitted his demand for arbitration and the Parties agreed to stay the McKeehan PAGA Action pending arbitration.

7. The Parties agreed to attend global mediation for the above-described actions and to an informal exchange of discovery. Joint mediation was conducted because of the overlap in the claims, parties, counsel, and courts where the actions are pending. Prior to mediation, Defendants produced a significant amount of documents and information, including Plaintiffs' personnel files, relevant policy documents, and a 20% sample of class members' timekeeping and pay records. To prepare for mediation, Plaintiffs' counsel worked with experts to analyze timekeeping and payroll data related to the claims in order to evaluate the potential damages and penalties.

8. On November 19, 2024, the Parties attended a mediation session with Kevin Barnes, a respected mediator. The negotiations were adversarial, conducted at arm's length and tempered by the efforts of both sides to serve the interests of their clients. The Parties reached a settlement of the actions and subsequently finalized the settlement agreement in May 2025.

9. Pursuant to the terms of the settlement, and in the interest of efficiency, the Parties agreed to seek approval of the settlement before one court and to consolidate all of the parties and claims raised in connection with the three actions into the McKeehan Class Action.

10. To effectuate the Parties' intent, on May 9, 2025, Plaintiffs submitted an amended PAGA notice to the LWDA to add Delux Public Charter, LLC as a named defendant and to add the following claims raised at mediation: failure to pay overtime wages due to an invalid alternative workweek schedule and failure to reimburse business expenses.

11. After the exhaustion period ran, the Parties submitted a stipulation to grant Plaintiff McKeehan leave to file a First Amended Complaint to Marslek as a second named plaintiff and Delux Public Charter LLC as a named defendant, and to consolidate into a single complaint all of

the claims asserted and legal theories discussed at mediation in the three pending actions. The First Amended Complaint will be the Operative Complaint in the McKeehan Class Action. The Marslek Action and McKeehan PAGA Action have been stayed.

12. On July 31, 2025, Plaintiffs submitted the Settlement and this Motion to the LWDA pursuant to Labor Code section 2699(l)(2).

13. Defendants' records show the Class consists of approximately 370 individuals, making joinder of all Class Members impracticable. Further, the Class is readily ascertainable from Defendants' business records because all Class Members are current or former employees of Defendants.

14. Plaintiffs alleged that Defendants maintained uniform employment policies and/or practices that illegally deprived Class Members of lawful wages, expense reimbursements, meal periods, rest breaks, accurate wage statements, and waiting time pay. Plaintiffs' allegations present common legal and factual questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, compensation, expense reimbursements, meal period, and rest break policies to all Class Members; whether these policies and practices resulted in Labor Code violations; whether Defendants' conduct was intentional; and whether Class Members are entitled to penalties. These common questions could be resolved using Class Members' schedules, time punches, and payroll records, Defendants' corporate representative's testimony, written communications between Defendants and Class Members, and Class Member declarations.

15. Plaintiffs allege that they and other Class Members were employed by Defendants and injured by Defendants' common wage and hour policies and practices, including Defendants' scheduling, timekeeping, compensation, meal period, and rest break practices and policies. Through documents and information exchanged in discovery, Plaintiffs confirmed that these common policies and practices similarly affected Plaintiffs and the Class. Plaintiffs' counsel extensively reviewed policy documents and Class Members' time and pay records to perform a thorough analysis. Further, Plaintiffs' Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each of the claims meriting reductions in the likely recovery at trial. Accordingly, Plaintiffs' Counsel

fully understood the strengths and weaknesses of the claims before the Parties reached a settlement.

16. Plaintiffs contend that their claims are based on Defendants' common, class-wide policies and procedures, and that liability could be determined on a class-wide basis without dependence on individual assessments of liability. Defendants, by contrast, have consistently maintained that Defendants have properly paid Plaintiffs and Class Members all wages due and owing and have fully complied with the Labor Code provisions at issue in the actions, and deny that class treatment is appropriate for any of Plaintiffs' claims.

Exposure Analysis

17. While Plaintiff and his counsel believed and continue to believe this is a strong case for certification, the significant risks and expenses associated with class certification and liability proceedings must be taken into account.

18. In determining whether the amount offered in settlement was reasonable, Plaintiff's Counsel weighed that figure against many risk factors. Although the amount of the Class's maximum potential damages – if proven – is substantial, legitimate and serious risks compelled a considerable discount for settlement. If Plaintiffs continued to prosecute the claims rather than accept a settlement, Plaintiffs would have faced deadlines to file a motion for class certification, had to have engaged in formal written discovery and taken depositions, expended time and resources to resolve disputes, prepared and filed potential dispositive motions and/or discovery motions, and engaged in extensive trial preparation. An adverse ruling at any one of these stages could have prevented the Class from obtaining any recovery.

19. First and foremost, Plaintiffs considered that Defendants obtained arbitration agreements signed by nearly the entire Class. This Court already found that Plaintiff McKeehan's arbitration agreement was enforceable and dismissed his class claims. While mediation was pending, the court in the Marslek Action had taken the Motion to Compel Arbitration filed in that action under submission and the Parties were awaiting a ruling before that action was stayed. If the Court found these to be enforceable, then the Class would be foreclosed on collecting any damages and this action would be limited to seeking civil penalties under PAGA.

20. Plaintiffs' overtime claim was primarily premised on the theory that Defendants instituted an unlawful alternative workweek schedule that failed to pay Class Members overtime wages when they worked shifts over 8 hours. Specifically, Plaintiffs alleged that Defendants failed to register an election with the Department of Industrial Relations and therefore, the alternative workweek schedule was invalid. Plaintiffs calculated that this claim was worth approximately $92,066. However, Defendants provided evidence that only those Class Members who worked for Defendant JetSuiteX in the role of Guest Services were subject to an alternative workweek schedule, which could impact Plaintiffs' ability to prove commonality and numerosity. With an assumed 70% chance of success at class certification and a 50% chance at trial, the realistic value of the claim was worth about $32,223 for settlement purposes.

21. Plaintiffs also asserted a claim for Defendants' alleged failure to pay Class Members for all time worked by requiring them to finish post-shift duties, such as tending to clients even though they were clocked out. Assuming unpaid wages of 30-minutes per week, Plaintiffs' expert calculated a maximum exposure of $277,942. However, because any of this time worked was not recorded, and Defendants maintained written policies promising to pay for all time worked and prohibiting off-the-clock work, this theory would be largely dependent on competing testimonial evidence about Defendants' practices. Plaintiffs would need supportive testimony through depositions and declarations (which will likely be countered with Defendants' own testimony received by Class Members) to support that wages were unpaid in every pay period. The reliance on supportive testimony through depositions and declarations and the potential individualized facts and circumstances renders the value of this claim uncertain. As such, Plaintiff assumed there was a 20% chance of success at class certification and 20% chance of success on the merits at trial, rendering the claim worth approximately $11,118.

22. Plaintiffs' meal period claim was potentially worth about $1,098,011 in light of the potential violations shown in the records. However, Defendants argued that they maintained compliant written policies providing for timely and fully compliant meal periods. Further, Defendants argued that employees were provided the opportunity to take compliant meal periods and, to the extent they did not do so, that was due to individual personal choices of the employees,

not conduct attributable to Defendants. Defendants also provided evidence of meal period premiums paid to Class Members during the Class Period. Thus, Plaintiffs discounted this claim for the risk that the damages could at least be reduced, and that the claim would be hard to certify with a compliant policy. As such, Plaintiffs' counsel believed there was a 40% chance succeeding at class certification and a 40% chance at trial, resulting in a value of $175,682.

23. Plaintiffs alleged that Defendants failed to provide duty-free rest breaks by requiring Class Members to remain on-premises during their breaks. If Plaintiffs could prove a 100% violation rate for each shift over 3.5 hours, then damages could reach up to $2,433,726. In support of this claim, Plaintiffs pointed to Defendants' written policies which required Class Members to remain on work premises. However, Defendants argued that despite this policy, in practice, Class Members were instructed to and did leave their workstations in order to take a duty-free break. As such, this claim would have relied on Class Member testimony, making it a riskier claim at class certification and liability stages. Plaintiffs' counsel believed there was a 50% chance succeeding at class certification and a 20% chance at trial, resulting in a value of $243,373.

24. Plaintiffs alleged that Defendants failed to reimburse Class Members for business expenses incurred in carrying out their job duties, including expenses incurred for the allegedly required use of personal cell phones for work purposes, mileage expenses for necessary work travel, and expenditures for personal protective equipment, tools, uniforms, supplies and other equipment. Defendants denied that Plaintiffs and Class Members incurred any necessary business expenses in connection with carrying out their job duties that were not reimbursed and also argued that their practice was to provide employees with all necessary tools and equipment needed to do their jobs. To this end, Defendants provided written policies agreeing to reimburse travel expenses, cell phone devices up to $25/month, and other approved expenses. As such, to the extent any expenses were not reimbursed, this claim would have relied on Class Member testimony and the individualized circumstances surrounding this claim presented significant risks at the class certification and liability stages. For example, even if class members did resort to their personal vehicles/cell phones for work, there is no source of common proof as to who

incurred expenses, whether those expenses were necessary in light of the other transportation/communication devices offered, and whether they sought reimbursement, making the claim difficult to prove at trial. Therefore, Plaintiffs ultimately did not allocate any value to this claim.

25. Plaintiffs' Counsel also considered the arguable presence of various derivative penalties, and weighed the potential recoveries against probable defenses. Specifically, Defendants could argue that Plaintiffs could not prove the "willful" prong needed to obtain waiting time penalties under Labor Code section 203. Additionally, Defendants could argue that Plaintiffs could not show that Class Members suffered an "injury" as a result of wage statement violations, as required by Labor Code section 226, or that the wage statements correctly reflected the wages paid and owed. Moreover, Plaintiffs would not recover any of these derivative penalties if they failed to prove the underlying claims. Although the Class arguably could have seen a payout of approximately $1.5 million for waiting time penalties and $916,800 for wage statement penalties, Plaintiffs would not recover any of these derivative penalties if they failed to prove the underlying claims. Thus, Plaintiffs discounted these claims assuming a 20% chance of class certification and 20% chance at the merits for both claims, resulting in a realistic value of $58,758 for the waiting time claim and $36,672 for the wage statement claim.

26. The PAGA claim presented even higher hurdles. Although Plaintiffs' Counsel found Defendants' exposure could potentially reach approximately $916,800 under Labor Code section 2699(f), assuming the initial penalty rate of $100 for each pay period, Plaintiffs would have to prove a violation in all 9,168 pay periods. Most importantly, the Court would have discretion to reduce the PAGA award based on whether the amount of the award would be "unjust, arbitrary and oppressive, or confiscatory." Labor Code § 2699(e)(2). In theory, the Court could reduce the award by 99% if it so wished. Plaintiffs were doubtful they could recover any PAGA penalties, especially in light of any good faith defense of Defendants. Accordingly, Plaintiffs could not place a high value on the PAGA penalties, and therefore allocated $30,000 of the Gross Settlement Amount to settle these claims.

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Enhancement Award

27. Plaintiffs had the option to pursue their claims individually, but instead chose to pursue this class action, delaying individual recovery until approval of a class action settlement. Throughout the case, Plaintiff assisted counsel in gathering the evidence necessary to prosecute the class claims, maintained regular contact with counsel, were available on the day of mediation and communicated with their attorneys during the day of mediation to answer critical questions, and reviewed the Settlement to make sure it was fair to the Class. None of the other 370 Class Members had shown any interest in bearing the expense and burden of litigating their own claims. No action would likely have been taken by Class Members individually, and no compensation would have been recovered for them, but for Plaintiffs' services on behalf of the Class.

28. The amount of Plaintiffs' requested Enhancement Award was not negotiated until after the Parties agreed to the Gross Settlement Amount and many other terms.

29. At the final approval stage, Plaintiffs will further support the request for the Service Awards by a declaration that addresses the factors for the award.

Counsel's Qualifications

30. Aegis Law Firm prosecutes wage and hour cases, including class actions on behalf of employees and others who have had their rights violated. Aegis, either on its own, or with co-counsel is currently serving as plaintiffs' counsel of record in dozens of wage and hour and employment class action cases pending in both state and federal court.

31. The attorneys working on this case have been appointed class counsel in many cases, through both contested motions and settlement approval motions.

32. Aegis has litigated and successfully resolved many wage and hour class action cases involving failure to pay wages and derivative Labor Code claims and penalties. *See, e.g., Calma v. Scooter Brew, Inc.*, San Diego Superior Court, Case No. 37-2021-00050379-CU-OE-CTL (class certification grated on April 12, 2024 for non-exempt restaurant employees' on issues of expense reimbursement, unpaid wages for off-the-clock work, meal violations, inaccurate wage statements and waiting time penalties); *Vinalay v. Union City Hotel Management Corp. et al.*, Case No. 37-2019-00021268-CU-OE-CTL (class certification granted on April 4, 2022 for

non-exempt employees on issues of unpaid overtime, automatic meal period deductions, inaccurate wage statements, and waiting time penalties); *Roman, et al. v. TRM Manufacturing, Inc.*, Riverside Superior Court, Case No. RIC1706458 (class certification granted on December 17, 2020 for all current and former non-exempt workers' on issues of rounding, meal period, and rest period claims); *Gamboa v. Kamran, et al.*, San Bernardino Superior Court, Case No. CIVDS1605273 (class certification granted on September 16, 2019, for factory workers on issues of rounding, automatic deduction of first meal period, and second meal period); *Romo, et. al, v. GMRI, Inc. d/b/a/ Olive Garden,* United States District Court Central District of California, Case No. EDCV-12-0715-JLQ (class certification granted for restaurant workers' rest period claims); *Sawyer v. Retail Data, LLC,* Orange County Superior Court, Case No. 30-2014-00753767-CU-OE-CXC (unpaid wage and rest break claims for piece rate workers); *Gonzalez v. SFFI Company, Inc., et. al,* San Bernardino County Superior Court, Case No. CIV DS1504287 (unpaid wages, meal period and rest break claims for non-exempt employees); *Antoine v. Riverstone Residential California, Inc., et. al,* Sacramento County Superior Court, Case No. 34-2013-00155974 (rate of pay, on-call time, unpaid wage, meal period, rest break, and expense reimbursement claims for non-exempt employees); *Nguyen v. Pharmerica,* Orange County Superior Court, Case No. 30-2014-00716072-CU-OE-CXC (unpaid wages and unreimbursed expenses for pharmacists); *Orellana v. Westlake,* Los Angeles County Superior Court, Case No. BC539614 (unpaid overtime, meal period and rest break claims for call center employees); *Kent v. Mountain View Child Care, Inc.,* Los Angeles County Superior Court, Case No. BC539633 (minimum wage, overtime, meal period, and rest break claims for hospital workers); *Durroh v. East West Bank,* Los Angeles County Superior Court, Case No. BC528860 (overtime claims for failure to include bonuses in regular rate of pay for bank workers); *O'Brien et al.* v. *Pizza Hut of Southeast Kansas, Inc. et al.,* Riverside County Superior Court, Case No MCC 1301030 (meal period and expense reimbursement claims for delivery drivers); *Bell v. Prime Healthcare,* Orange County Superior Court, Case No. 30-2011-00475240-CU-OE-CXC (overtime claims for failure to include shift premiums in regular rate of pay and failure to provide meal and rest periods to hospital workers), *Grana v. Toys R US-Delaware, Inc*., Central District of California, Case No. 2:13-cv-01302-DSF-

JCG (bag check claims for unpaid wages and failure to provide meal periods and rest breaks to retail employees); *Mendez v. H.J. Heinz Company, L.P., et. al,* Orange County Superior Court, Case No. 30-2013-00644915-CU-OE-CXC (failure to pay all wages to factory workers due to rounding practice); *Fresh & Easy Wage and Hour Cases,* Los Angeles Superior Court, Cas No. JCCP 4705 (failure to provide meal and rest periods to supermarket workers)*; Lunsford v Stater Bros*., Riverside Superior Court, Case No. RIC 1104475 (failure to provide meal and rest periods to supermarket workers); *Gregg v. Belo,* Riverside Superior Court, Case No. RIC 523697 (unpaid wages and missed meal and rest periods due to misclassification of newspaper delivery employees); *Brown v. Experian Information Solutions, Inc., et. al.*, Orange County Superior Court, Case No. 30-2012-00375163 (misclassification of engineers and similar positions); *Tereth v. Shakey's USA, Inc.,* Los Angeles Superior Court, Case No. BC441359 (failure to provide meal and rest periods to restaurant employees); *Azurin v. Harbor Distributing LLC, et. al.,* Los Angeles Superior Court, Case No. BC421392 (failure to pay overtime wages, provide meal and rest periods, reimburse business expenses to Account Managers); *Caffero v. ABC* (failure to provide meal periods and reimburse expenses of therapists).

33. Kashif Haque received his J.D. in 2001 from Washington University School of Law. While in law school, Mr. Haque was a member of the Law Review Editorial Board, author of an article published in the Law Review, Executive Board Member of Moot Court, and a member of the Dean's List. He received a Bachelor's of Science in Business Administration from the University of Central Missouri in 1998, where he was a member of the Beta Alpha Psi honors fraternity.

34. Since 2004, Mr. Haque has exclusively focused his practice on plaintiff's employment litigation with a specific focus on wage and hour claims. Since then, he has represented over 500,000 employees with their employment claims, many of which included wage and hour claims. He has been appointed class counsel in approximately 100 cases and is currently litigating over 150 employment wage and hour class action cases.

35. Mr. Haque authored a book on employment litigation strategies with West Publishing and has been invited to speak on class action and wage and hour issues on numerous

occasions. He has spoken at seminars by the State Bar of California, California Employment Lawyer's Association (CELA), Orange County Bar Association, and various other CLE providers. Mr. Haque is the former Chair for the Labor and Employment Section of the Orange County Bar Association. He was selected as one of the Top 50 Attorneys in Orange County by Super Lawyers for 2017 and 2019. He has been a Super Lawyer for every year from 2009 to the present. OC Register/Metro has selected him as one of the Top 5 Employment Lawyers in Orange County for every year the list was published, from 2012 to 2018.

36. Samuel A. Wong is a graduate of University of Pennsylvania Law School, where he received his J.D. in 2001. Mr. Wong received a Bachelors of Arts in Sociology from the University of California at Berkeley in 1997.

37. After graduation from law school in 2001, the same year in which Mr. Wong took and successfully passed the California Bar Exam, Mr. Wong moved to back to Los Angeles, California where he was employed at Paul Hastings, Janofsky & Walker, LLP. While working in the employment department at Paul Hastings, he was involved in numerous wage and hour class action lawsuits and other employment related matters.

38. Mr. Wong became a founding partner of Aegis Law Firm, PC in 2003, and focused his practice on plaintiff's side employment work. Throughout his years of practice, Mr. Wong represented and obtained successful outcomes for his clients, including awards through arbitration and trial.

39. Mr. Wong is a member of the Orange County Bar Association, Orange County Trial Lawyers Association, and California Employment Lawyers Association.

40. Mr. Wong was chosen by Law and Politics Magazine as a Super Lawyer Rising Star, representing one of the top 2.5% of lawyers under 40 in Southern California in 2011, 2012, 2013, and 2014. He was chosen by Law and Politics Magazine as a Super Lawyer in 2015, 2016, 2017, and 2018. Mr. Wong was also chosen as a Top Attorney in the field of employment law by OC Metro in 2014, 2015, and 2018.

41. Jessica L. Campbell is a partner at Aegis Law Firm. Ms. Campbell was admitted to the California Bar in December of 2011, and received her J.D. from Santa Clara University

School of Law and her B.A. from the University of California, Berkeley. Ms. Campbell has dedicated her career to plaintiffs' side class actions. Ms. Campbell's experience includes successful work on class action appeals, class certification motions, and class settlements. She was chosen by Law and Politics Magazine as a Super Lawyer Rising Star, representing one of the top 2.5% of lawyers under 40 in Southern California for several years.

42. I am a Senior Associate at Aegis Law Firm. I was admitted to the California Bar in December of 2019. I received my J.D. from Chapman University Dale E. Fowler School of Law where I graduated cum laude. While in law school, I was a recipient of numerous honors, including Merit Scholarships and CALI Awards, and externed for Judge Di Cesare of the Orange County Superior Court. I received my B.A. from the University of California, Davis. Prior to joining Aegis Law Firm, I worked at a midsize civil defense firm. I have been with Aegis Law Firm since 2020, where I have primarily represented plaintiffs in wage and hour class and representative actions. My experience includes successful work on class certification motions, summary judgment motions, and class settlements.

43. Aegis Law Firm has performed significant work and expended litigation costs in prosecuting the matter with no guarantee of any payment.

44. At final approval, Plaintiffs' Counsel will fully brief the merits of its request for the award of attorneys' fees and litigation costs.

45. Plaintiffs have signed a fee-split agreement with their counsel for purposes of sharing any fees awarded by this Court. The fee-split is as follows: 75% to Aegis Law Firm, PC and 25% collectively to Diversity Law Group, Polaris Law Group, and Hyun Legal, APC.

Exhibits

46. A true and correct copy of the CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND RELEASE AGREEMENT is attached hereto as **Exhibit 1**.

47. A true and correct copy of the PAGA notice my office sent to the LWDA and Defendant on July 28, 2022 is attached hereto as **Exhibit 2**.

48. A true and correct copy of the amended PAGA notice my office sent to the LWDA on May 9, 2025 is attached hereto as **Exhibit 3**.

49. A true and correct copy of the LWDA's confirmation that my office submitted the Settlement and this Motion is attached hereto as **Exhibit 4.**

50. A true and correct copy of the Parties' proposed Class Notice to be sent to the Class Members upon preliminary approval is attached hereto as **Exhibit 5.**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on July 31, 2025 at Irvine, California.

Kristy Connolly

Kristy R. Connolly

EXHIBIT 1

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND RELEASE AGREEMENT

This Class Action and Private Attorneys General Act Settlement and Release Agreement ("**Agreement**," "**Settlement Agreement**" or "**Settlement**") is entered into by Plaintiffs Jacob McKeehan ("McKeehan") and Robert Marslek ("Marslek") (collectively, "**Plaintiffs**"), on behalf of themselves, the State of California Labor and Workforce Development Agency ("**LWDA**"), and those Plaintiffs seek to represent, on the one hand, and, on the other hand, Superior Air Charter, LLC, JetSuiteX, Inc., and Delux Public Charter, LLC (collectively, "**Defendants**"). For purposes of this Agreement, Plaintiffs and Defendants are collectively referred to as the "**Parties**."

By way of this Agreement, the Parties seek to settle all of the individual, class, and California Private Attorneys General Act ("PAGA") representative claims asserted in the following actions, entitled *McKeehan v. JetSuiteX, Inc.*, Los Angeles County Case No. 22STCV24435 ("*McKeehan* Action"), *McKeehan v. JetSuiteX, Inc.*, Los Angeles County Case No. 22STCV32816 ("*McKeehan* PAGA Action"); *McKeehan v. JetSuiteX, Inc.*, JAMS Case No. 522004095 ("*McKeehan* Arbitration"); and *Marslek v. Superior Air Charter, LLC*, Alameda County Case No. 23CV039463 ("*Marslek* Action"). The *McKeehan* Action, *McKeehan* PAGA Action, *McKeehan* Arbitration, and *Marslek* Action are collectively referred to as the "**Actions**." The Parties expressly acknowledge that this Agreement is entered into solely for the purpose of compromising disputed legal and factual issues and that nothing in this Settlement Agreement is an admission of liability or wrongdoing by Defendants.

RECITALS

1. The Parties will work together to take mutually agreed-upon action to bring all of the claims being resolved by this Agreement before one court to consider, as applicable, and then preliminarily and finally approve of this Agreement. In the interest of efficiency, the Parties intend and agree to seek court approval of the Settlement of the Actions before one court and agree to take all necessary steps to add all Plaintiffs and their respective class and PAGA claims to the *McKeehan* Action pending in Los Angeles Superior Court. To that end, Plaintiffs will submit an amended PAGA notice to the LWDA and, once the exhaustion period has run, file an amended consolidated complaint in the *McKeehan* Action to add claims for failure to pay overtime wages due to an invalid alternative workweek schedule, failure to reimburse business expenses, and to add Delux Public Charter, LLC as a named defendant (the "**Operative Complaint**"), which will serve to consolidate all lawsuits and PAGA Letters filed by Plaintiffs, and to incorporate all Released Class Claims and Released PAGA Claims and all legal theories discussed at mediation into one consolidated operative complaint. Defendants stipulate to filing such amended documents for settlement purposes only. The Parties will stipulate to certification of the class and representative treatment for purposes of settlement only. The Parties agree to stay the Actions during the settlement approval process.

The *McKeehan* Action, PAGA Action, and Arbitration

2. On July 28, 2022, McKeehan filed a complaint in the Los Angeles Superior Court against Defendant JetSuiteX, Inc., bearing Case No. 22STCV24435 and alleging claims for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Compensation; (3) Failure to Provide Meal

Periods; (4) Failure to Authorize and Permit Rest Breaks; (5) Failure to Provide Accurate Itemized Wage Statements; (6) Failure to Pay Wages Timely During Employment; (7) Failure to Pay All Wages Due Upon Separation of Employment; and (8) Unfair Business Practices. In the *McKeehan* Action, McKeehan seeks to represent all current and former California non-exempt, hourly paid employees of Defendant JetSuiteX, Inc. during the statutory period.

3. McKeehan separately filed a PAGA Action on October 6, 2022, bearing Case No. 22STCV32816, which asserts a claim for civil penalties under California's Private Attorneys General Act ("PAGA") based on the same predicate claims and allegations contained in the *McKeehan* Action as well as allegations of recordkeeping violations.

4. On June 21, 2023, the Court in the *McKeehan* Action granted Defendants' motion to compel arbitration and dismiss class claims, and ordered McKeehan to arbitrate his individual claims against Defendants. McKeehan subsequently filed a demand for arbitration with JAMS, bearing JAMS Arbitration No. in which he asserted the same individual claims he asserted in the *McKeehan* Action.

The *Marslek* Action

5. On July 26, 2023, Marslek filed a PAGA representative action complaint against Defendant Superior Air Charter, LLC in the Alameda Superior Court, bearing Case No. 23CV039463, in which he alleged claims for PAGA civil penalties for alleged failure to timely pay all wages. On June 7, 2024, Marslek filed an amended complaint in the *Marslek* Action, adding class claims for failure to pay all wages due, failure to provide meal periods, failure to provide rest periods, and violations of California's unfair competition law. Marslek seeks to represent all current and former California nonexempt employees of Defendant Superior Air Charter, LLC.

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6. **The Parties' Successful Mediation Efforts.** On November 19, 2024, the Parties to the Actions attended a private mediation with Kevin Barnes, a mediator with extensive experience in wage and hour, class and representative action litigation. Joint mediation was conducted because of the overlap in the claims, parties, counsel, and courts where the Actions are pending. The Parties reached a settlement of the Actions at the full-day mediation and subsequently executed a Memorandum of Understanding which was fully executed on February 27, 2025.

7. **Class Counsel's Investigation**. Aegis Law Firm and Diversity Law Group, Polaris Law Group, and Hyun Legal (collectively, "Class Counsel"), counsel for McKeehan and Marslek, respectively, and the Class Members, and the PAGA Group Members, conducted a formal and informal investigation into the facts and allegations of the Actions, including an extensive review of produced documents and data. In particular, Class Counsel made informal discovery requests in advance of mediation, and reviewed and analyzed documents produced in response to such requests, including a sampling of time records and payroll data for the Class, and other data reflecting the pay periods and workweeks worked by Class Members during the relevant time period. Class Counsel also investigated the claims against Defendants in the Actions and analyzed all applicable defenses raised by Defendants.

8. **Class Counsel's Evaluation**. Class Counsel believes that the Settlement documented by this Agreement is fair, reasonable, and adequate, and in the best interest of the Class Members and PAGA Group based on all known facts and circumstances, including the risk of significant delay, defenses asserted to the merits of the Actions, defenses asserted to class certification and the PAGA representative actions, as well as defenses to the overall issue of liability and damages, and potential appellate issues.

9. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge any and all claims, rights, demands, charges, complaints, causes of action, obligations or liability of any and every kind that were or could be asserted in the Actions based upon the operative facts alleged or theories asserted in any of Plaintiffs' complaints, amended complaints or in the letter to the Labor and Workforce Development Agency. Additionally, the Parties intend the Settlement of the Actions as described in this Agreement to be contingent upon: (1) the Court's preliminary and final approval of the terms of this Agreement, including entry of a final approval order and the judgment described in Section X; (2) the Court granting the Parties' stipulation permitting the filing of an amended consolidated complaint in the *McKeehan* Action as described in Paragraph 1 above and Section II(A)(1) below; and (3) satisfaction of all conditions described in Section III(A)(1)-(4).

10. **The Parties stipulate to the certification of this Settlement Class solely for purposes of this Agreement**. The Parties stipulate to certify the Class described herein for settlement purposes only. The Parties' stipulation to class certification is contingent upon the preliminary and final approval and certification of the Settlement Class only for purposes of this Agreement. Should this Agreement not become final or not be approved by the Court, for whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as part of the Agreement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Action. Defendants do not waive, and instead expressly reserve, their rights to challenge the propriety of class certification or representative treatment for any purpose should the Court not approve this Agreement.

11. **The Parties' Agreement to Cooperate and Execute Necessary Documents.** The Parties agree to cooperate and to take all steps reasonably necessary and appropriate to effectuate the terms of this Agreement including to obtain a preliminary approval order and Final Approval Order of this Settlement, to obtain entry of judgment and/or dispose of the Actions and claims of Class Members and aggrieved employees with prejudice, and to have Defendants timely provide the Class Data (defined below) and fund the Gross Settlement Amount.

NOW THEREFORE, in consideration of the recitals listed above and the promises, releases, and warranties set forth below, and with the Parties' intent to be legally bound and to acknowledge the sufficiency of the consideration and undertakings set forth herein, Plaintiffs, individually and on behalf of the Class Members, the PAGA Group, and the State of California LWDA, on the one hand, and Defendants, on the other hand, agree that the Actions shall be and are finally and fully compromised and settled as to the Released Parties, on the terms and conditions set forth herein, subject to Court approval:

AGREEMENT

I. DEFINITIONS

A. Class Definition and Class Period: "**Class**," "**Settlement Class**", or "**Class Members**" means: all current and former persons employed by Defendants in California as a non-exempt employee at any time between May 15, 2020 through the date of preliminary approval or June 30, 2025, whichever is earlier ("**Class Period**"). Individuals who meet the foregoing criteria during the Class Period are referred to herein individually as "**Class Member**" or collectively as "**Class Members**."

B. **"Class Counsel"** means: Kashif Haque, Samuel Wong, Jessica Campbell, and Kristy Connolly of Aegis Law Firm, Larry Lee of Diversity Law Group, William Marder of Polaris Law Group, and Dennis Hyun of Hyun Legal, APC.

C. The "**Court**" shall mean, for purposes of this Agreement, the court in which Plaintiffs file their motion(s) for preliminary and final approval of the Settlement, as contemplated herein.

D. **"Effective Date".** The "**Effective Date**" of the Settlement shall be the date on which all of the following events described in this paragraph have occurred: (a) the Court has conducted the Final Settlement Approval Hearing and fully and finally approved all material terms of the Settlement Agreement; (b) the Court enters the Final Approval Order granting final approval of this Agreement, enters an appropriate Judgment in the *McKeehan* Action (and an appropriate judgment or dismissal order has been entered in the *McKeehan* PAGA Action, *McKeehan* Arbitration, and *Marslek* Action), and the time period to appeal any such Judgments or orders in all cases have been exhausted without any appeals having been filed; (c) to the extent a timely appeal was filed in any of the Actions, all such appeals have been voluntarily or involuntarily dismissed, or the appropriate appellate court or the appellate courts have entered a final judgment affirming the Final Approval Order and judgment as well as the judgment or dismissal order in the *McKeehan* PAGA Action, *McKeehan* Arbitration, and *Marslek* Action without material modification and the final judgment of such appellate court or courts is no longer subject to any further appellate challenge or procedure.

E. "**Final Approval Order**" refers to the order by the Court finally approving the Settlement following the Final Settlement Approval Hearing.

F. PAGA Group and PAGA Period: "**PAGA Group**" or "**PAGA Group Members**" means all current and former persons employed by Defendants in California as a non-exempt employee at any time between July 28, 2021 through the date of preliminary approval or June 30, 2025, whichever is earlier ("**PAGA Period**").

G. "**Settlement Administrator**" refers to ILYM Group, Inc., the third-party administrator, who has been mutually selected by the Parties, subject to Court approval, to perform the notice, settlement administration, and distribution of payment functions further described in this Agreement. The Settlement Administrator shall establish a Qualified Settlement Fund (QSF) pursuant to U.S. Treasury Regulation Section 468B-1 for purposes of administering the Settlement.

II. PROVISIONAL APPROVAL OF THIS AGREEMENT

A. Upon execution of this Agreement, the Parties shall take the following actions:

1. To effectuate the terms of the Settlement, Plaintiffs will submit an amended PAGA notice to the LWDA and, once the exhaustion period has run, the Parties will file a stipulation in the *McKeehan* Action requesting the Court to permit Plaintiffs to file a consolidated amended class and representative action complaint, which adds Marslek as a named plaintiff and class and PAGA representative, and adds claims for failure to pay overtime wages due to an invalid alternative workweek schedule, failure to reimburse business expenses, and to add Delux Public Charter, LLC as a named defendant (the "Operative Complaint"), and will serve to consolidate all lawsuits and PAGA Letters filed by Plaintiffs, to incorporate all Released Class Claims and Released PAGA Claims and all legal theories discussed at mediation into one consolidated operative complaint. The Parties agree to file stipulations to stay the Actions (other than the *McKeehan* Action for purposes of seeking settlement approval only) during the settlement approval process. In the event the Court does not approve of the Parties' procedural stipulation(s) as described in this Paragraph, the Parties agree to meet and confer in good faith and take all necessary steps to accomplish the intent of this Paragraph.

2. Class Counsel will prepare a motion requesting that the Court enter a preliminary approval order preliminarily approving the proposed settlement, certifying the Class for settlement purposes only, approving the form of notice and authorizing the mailing of notice to class members, designating Class Counsel (as defined above) as Class Counsel for purposes of settlement approval and Plaintiffs as the Class Representatives, appointing a settlement administrator, and setting a date for the final approval hearing. Class Counsel shall provide counsel for Defendants with a draft of the preliminary approval motion and supporting papers for review and opportunity to provide comments within thirty (30) days after the Settlement Agreement is executed and at least fifteen (15) business days prior to the filing of the motion for preliminary approval. Class Counsel shall not file a motion for preliminary settlement approval without first confirming with counsel for Defendants that Defendants have no objection to any matters stated within the other preliminary approval papers. The Parties shall jointly prepare the proposed Preliminary Approval Order and proposed Class Notice, and Class Counsel shall submit them in the form mutually agreed to by the Parties. The proposed preliminary approval order shall include all of the following:

a) Preliminarily certifying, for settlement purposes only, a Class comprising the Class Members;

b) Preliminarily appointing, for settlement purposes only, Class Counsel;

c) Preliminarily appointing, for settlement purposes only, Plaintiffs, as the class representatives;

d) Appointing and approving ILYM Group, Inc. as the Settlement Administrator;

e) Provisionally approving all terms of this Agreement and finding that such terms are sufficient to warrant sending notice of settlement to Class Members;

f) Approving the form and content of the Notice of Proposed Settlement and Final Settlement Approval Hearing (the "**Class Notice**");

g) Authorizing the mailing of the Class Notice to the Class Members; and

h) Scheduling a hearing, to occur within a reasonable period after the Response Deadline (defined below) has expired, in which the Court will hear Plaintiffs' motion requesting the Court to fully and finally approve this Agreement and the Settlement herein, and enter judgment (the "**Final Settlement Approval Hearing**").

Defendants do not intend to oppose Plaintiffs' Motion for Preliminary Approval provided such motion and supporting papers are consistent with the terms of this Agreement.

B. **Notice of Settlement to Appropriate Government Officials.** Pursuant to California Labor Code section 2699(*l*)(2), Class Counsel will provide to the LWDA all required notices and documents to facilitate approval of the settlement in accordance with PAGA, including submitting to the LWDA a copy of the proposed settlement at the same time that it is submitted to the Court, a copy of the Court's judgment, copies of any other orders that award or deny penalties, and a copy of the Operative Complaint.

This Agreement is contingent upon entry of the Final Approval Order by the Court that is consistent with the terms and conditions specified in this Agreement. However, the Parties agree and acknowledge that the Court may condition the Final Approval Order on modification of this Agreement, which shall not be the basis for nullifying and voiding the Settlement unless the required modification is material (including but not limited to modifications to the Gross Settlement Amount or release provisions of this Agreement) and the Parties have exhausted all efforts to address the Court's concerns as necessary to obtain final approval. The Court's decision to award less than the amounts requested for the Enhancement Payment, Class Counsel Attorneys'

Fees, Class Counsel Litigation Costs and/or Settlement Administration Costs shall not constitute a material modification to the Agreement within the meaning of this paragraph. This Agreement shall become null and void in the event the Court for any reason refuses to enter the orders specified in Section II(A)(2) after all opportunities granted by the Court to the Parties for amendment have been exhausted. In the event the Court for any reason refuses to enter such orders, the Parties agree to cooperate in good faith to resolve any issues addressed by the Court, and exhaust all possible solutions to obtain the Court's approval. If the Parties cannot agree on how to address issues raised by the Court to obtain approval of this Agreement or the relief specified in this Section II, then they will seek the assistance of the mediator for resolution.

The Parties agree that in the event the Court does not grant final approval of the class/PAGA action settlement in the consolidated *McKeehan* Action, the Parties return to status quo as existed in the Actions on November 19, 2024, and the operative complaint in each lawsuit shall be the initial complaints filed in each lawsuit.

III. ALLOCATION OF GROSS SETTLEMENT AMOUNT

A. The following are material conditions to be satisfied before and as a condition to payment of the Gross Settlement Amount (defined below):

1. Execution of this Agreement by all signatories.

2. The Court has conducted a Final Settlement Approval Hearing and fully and finally approved all material terms of this Agreement.

3. A Final Approval Order and judgment including all of the provisions identified in Section X(A)(3) is entered by the Court and the Effective Date (defined in Section I(D)) has passed.

4. The *McKeehan* PAGA Action has been dismissed with prejudice, the *McKeehan* Arbitration has been dismissed with prejudice, and the *Marslek* Action has been dismissed without prejudice as described in Section X.

B. **Gross Settlement Amount. "Gross Settlement Amount"** means the maximum settlement amount of Five Hundred Ninety-Nine Thousand Dollars ($599,000.00) (the "**Gross Settlement Amount**") to be paid by Defendants on the condition that all of the material conditions set forth above in Section III(A) have occurred, in full satisfaction of all claims released under this Agreement, and includes all individual payments to Class Members and PAGA Group Members, Enhancement Payments to Plaintiffs, payment to the LWDA, Attorneys' Fees and Costs to Class Counsel, and payment of settlement administration fees and costs to the Settlement Administrator. Defendants shall be separately responsible for employer-side payroll taxes (including, without limitation, FUTA, SUTA and the employer portion of FICA, Medicare and any applicable state or local employment taxes) which shall not be paid from the Gross Settlement Amount. The Parties agree that, subject to this paragraph and Section XIII, under no circumstances shall Defendants be obligated to pay any amount over the Gross Settlement Amount under the terms of this Agreement except as provided for in this Agreement. This Settlement shall be a non-reversionary Settlement. None of the Gross Settlement Amount will revert to Defendants.

C. **PAGA Penalties.** The Parties agree that Defendants will pay a total of Thirty Thousand Dollars ($30,000.00) to PAGA Group Members and the California Labor and Workforce Development Agency (LWDA) from the Gross Settlement Amount in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law that were alleged or could have been alleged to have been violated based on the facts alleged and theories asserted in the complaints and notices Plaintiffs provided to the LWDA and any complaints and amended complaints filed by Plaintiffs in the Actions ("**PAGA Settlement Amount**"). Pursuant to PAGA, Seventy Five Percent (75%) of the PAGA Settlement Amount will be paid to the LWDA (the "**LWDA Payment**"), and the remaining Twenty-Five Percent (25%) will be paid to all PAGA Group Members ("**PAGA Group Payment**"). The 25% to be paid to PAGA Group Members shall be distributed based on the number of pay periods worked by that PAGA Group Member in a non-exempt California position during the PAGA Period (defined as July 28, 2021 through the date of preliminary approval or June 30, 2025, whichever is earlier) compared to the aggregate number of pay periods in which all PAGA Group Members worked during the PAGA Period in accordance with the methodology set forth in Section VIII(E) herein. The Court's reduction or increase of the PAGA Settlement Amount is not a material term of this Agreement. If the Court approves a lesser amount or a higher amount than that requested by Class Counsel for the PAGA Settlement Amount, the Parties will not object to such determination, the other terms of this Agreement shall apply and the Net Settlement Amount (defined below) to be distributed to the Class Members will be adjusted accordingly.

D. **Enhancement Payment.** From the Gross Settlement Amount, $10,000.00 will be allocated to each Plaintiff (for a total of $20,000.00) for initiating the Actions and providing services in support of the Actions ("**Enhancement Payment**"). The Enhancement Payment is in addition to any Individual Settlement Payment Plaintiffs are entitled to receive as a Participating Class Member. Defendants will not oppose Plaintiffs' request for an Enhancement Payment that does not exceed this amount. If the Court approves an Enhancement Payment less than the amount requested, the Settlement Administrator will retain the remainder in the Net Settlement Amount (defined below). Plaintiffs agree that the Settlement Administrator will not withhold any taxes from the Enhancement Payment, and will issue a Form 1099 or other appropriate tax form consistent with the classification of the Enhancement Payment. Plaintiffs acknowledge and agree that Defendants and their counsel have made no representations regarding the proper tax treatment of the Enhancement Payment. Plaintiffs agree, covenant, and represent that Plaintiffs shall be solely responsible for paying any taxes and penalties payable on the Enhancement Payment and that Plaintiffs shall defend, indemnify, and hold Defendants and the Released Parties (defined below) harmless from any claims, demands, actions, causes of action, losses, costs, attorneys' fees, penalties, or expenses arising from any classification of the Enhancement Payment as taxable income.

E. **Attorneys' Fees and Costs.** "**Attorneys' Fees and Costs**" means the amount allocated to Class Counsel for the work they have performed in furtherance of the Actions and for reimbursement of litigation expenses incurred to prosecute the Action. Subject to Court approval, the following payments are to be made from the Gross Settlement Amount to Class Counsel: (i) attorneys' fees actually awarded by the Court in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e. $199,666.67) ("**Attorneys' Fees**"); and (ii) Plaintiffs' verified actual litigation costs and expenses actually awarded by the Court up to $40,000 ("**Litigation Costs**"). Defendants will not oppose requests for these payments provided that they do not exceed these amounts. If the Court approves Attorneys' Fees and/or Litigation Costs less than the amounts requested, the Settlement Administrator will allocate the remainder to the Net Settlement Amount. The Settlement Administrator will issue one or more IRS 1099 Forms in connection with the payment of the Class Counsel Attorneys' Fees and Attorneys' Costs.

F. **Settlement Administration Costs.** The costs of the Settlement Administrator, including those costs incurred in mailing the Class Notice to the Class Members as required by this Agreement, will be paid from the Gross Settlement Amount up to the amount quoted (and ultimately billed) by the Settlement Administrator and actually awarded by the Court. All disputes relating to the Settlement Administrator's performance of its duties, after good-faith efforts by the Parties to first resolve such disputes, will be referred to the Court, if necessary. To the extent the Settlement Administration Costs are less or the Court approves payment less than the amount billed, the Settlement Administrator will retain the remainder in the Net Settlement Amount for distribution to the Participating Class Members.

G. **Payments to Participating Class Members.** The "**Net Settlement Amount**" means the portion of the Gross Settlement Amount remaining after subtracting the following payments: Attorneys' Fees and Costs to Class Counsel, the Enhancement Payment to Plaintiffs, payment to the Settlement Administrator for settlement administration fees and costs, and the PAGA Settlement Amount. The Net Settlement Amount will be distributed to "**Participating Class Members**" (i.e., those Class Members who do not submit valid Requests for Exclusion). Class Members who do not opt out will be entitled to their pro rata share of the Net Settlement Amount (**"Individual Settlement Payment"**), calculated in accordance with the formula set forth in Section VIII(D).

IV. SETTLEMENT ADMINISTRATOR

A. **Appointment of Settlement Administrator.** The Parties request that the Court appoint ILYM Group, Inc. as Settlement Administrator. The Settlement Administrator will be responsible for the administration of the settlement terms set forth herein, and all related matters. Among other responsibilities, the Settlement Administrator will publish notice of the settlement to Class Members through the distribution of written notice to Class Members based on the list provided by Defendants, and issue to Class Members who do not opt-out an IRS Form W-2 and IRS Form 1099 for all amounts paid under this settlement as appropriate, making all deductions and withholdings required under law. The Settlement Administrator will calculate and disburse all payments due under this Settlement Agreement. The Individual PAGA Amount paid to PAGA Group Members will be issued separately from the Individual Payment, if any. The Settlement Administrator will also mail a check for 75% of the PAGA Payment to the LWDA for settlement of the PAGA claim. The Settlement Administrator will also issue a 1099 form to Class Counsel for sums they received under this Agreement as awarded by the Court. In addition, the Settlement Administrator will notify the Parties of timely and untimely Objections and requests for exclusion received; notify the Parties of any disputes by Class Members of the number of Individual Work Weeks and/or persons claiming to be Class Members and resolve any disputes resulting from same; make all other required settlement payments and tax remissions pursuant to the terms of this Agreement and as directed by the Court; and perform such other duties as are described in this Agreement and/or as are customarily performed by settlement administrators. Among its other duties as described in this Agreement, the Settlement Administrator shall provide counsel for the Parties with a weekly report showing the number of opt-outs and Objections received as well as declarations as required by the approval process of this Settlement. The Parties agree to provide any reasonable information requested by the Settlement Administrator needed to effectively administer the settlement.

V. NOTICE OF SETTLEMENT TO CLASS MEMBERS AND PAGA GROUP MEMBERS

A. **Class Data for Settlement Administrator.** Within **thirty (30) calendar** days after entry of the Court's preliminary approval order that includes all of the provisions identified in Section II(A)(2), Defendants shall provide to the Settlement Administrator the following information for each Class Member and/or PAGA Group Member in a password protected Microsoft Excel format: name, last known address, Social Security number, and the number of Individual Workweeks and/or Individual PAGA Pay Periods attributable to each Class Member/PAGA Group Member ("**Class Data**").

1. Within three (3) business days of receipt of the Class Data by the Settlement Administrator, the Settlement Administrator shall notify Class Counsel that the Class Data has been received and provide to Class Counsel, without revealing any confidential information (such as names, Social Security Numbers, contact information, or other personally identifiable information), the number of Class Members along with the total Workweeks worked by all Class Members.

B. **Confidentiality Of Class Member Contact Information And Data.** The contact information is being provided confidentially, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of contact information of the Class Members. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Agreement. The Settlement Administrator shall return the Class Data to Defendants or confirm its destruction upon completion of the Settlement Administrator's duties.

C. **Mailing Of Class Notice**. The Settlement Administrator shall mail the Class Notice to Class Members **within fourteen (14) calendar days** of receiving the Class Data from Defendants. The Settlement Administrator shall send the Class Notice via First Class U.S. Mail, using the most current, known mailing address for each Class Member and PAGA Group Member based on information provided by Defendants. Upon receipt of this information from Defendants, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes.

D. **Re-mailing Of Returned Notices**. Any mailing returned to the Settlement Administrator as undeliverable shall be sent **within three (3) business days** via First Class U.S. Mail to the forwarding address affixed thereto, if applicable. If no forwarding address is provided, the Settlement Administrator shall attempt to determine the correct address again using a robust skip trace database to update and correct any known or identifiable address changes. Following this procedure, the Settlement Administrator shall perform a re-mailing via First Class U.S. Mail **within three (3) business days**. It shall be presumed that those Class Members whose re-mailed Class Notices are not returned to the Settlement Administrator as undeliverable within **thirty (30) calendar days** after re-mailing, actually received the Class Notice to the maximum extent permitted by law. The Settlement Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

E. **Content Of The Notice Of Class Action Settlement**. The Class Notice shall be in a form mutually agreed to by the Parties and shall, among other things, inform Class Members of their right to decline to participate in the class action portion of the settlement established by this Agreement, so long as the Class Member submits to the Settlement Administrator a valid Request for Exclusion on or before the Response Deadline (defined below), accurately describe the scope of the release, provide all deadlines and material terms of the Settlement, Class Counsel's contact information, a URL to a website maintained by the Settlement Administrator that has links to the Class Notice and the most important publicly filed documents in the case; and for persons who wish to review the Court's docket in this case, the URL for the Court's electronic filing and service website. The Class Notice shall also state that a Class Member's right to opt out applies only to the class action portion of the Settlement and that no opt out right applies to the settlement of PAGA claims in the *McKeehan* Action. It shall be presumed that each and every Class Member whose Class Notice is not returned to the Settlement Administrator as undeliverable **within thirty (30) calendar days** after mailing or remailing (as described above in Section V(D)) actually received it to the maximum extent permitted by law.

F. **Proof Of Mailing**. **At least 21 court days** prior to the Final Settlement Approval Hearing, the Settlement Administrator shall provide a finalized and executed declaration of due diligence and proof of mailing with regard to mailing of the Class Notice to Class Counsel and Defendants' Counsel, which Class Counsel shall in turn provide to the Court. **No later than 5 court days** before the final executed declaration is due to be filed by Class Counsel, the Settlement Administrator shall provide to Class Counsel and Defendants' Counsel a final draft of the declaration for review.

G. Counsel for the Parties shall not attempt in any way to initiate contact or initiate communications with any Class Member other than through the Class Notice, to discuss the Settlement, except as provided in this Agreement and to the extent any Class Member identified by the Settlement Administrator as to whom the Class Notice is believed by the Settlement Administrator to have been undeliverable, in which case counsel for Defendants may make reasonable attempts to secure accurate contact information for such Class Member. Notwithstanding the foregoing: (i) Class Counsel may respond to questions about the Settlement by Class Members who contact Class Counsel; (ii) counsel for the Parties may respond to questions by the Settlement Administrator about specific claims or questions of Class Members; and (iii) Defendants may communicate with employees and the Class Members to discuss or describe the Settlement as set forth in this Agreement provided that such communications shall not interfere with or discourage participation in the Settlement.

VI. THE OPT-OUT PROCEDURE

A. **Class Members' Consideration Period**. The Class Notice shall state that Class Members who wish to exclude themselves from, or "opt out" of, the class action portion of the Settlement must submit a signed, written Request for Exclusion to the Settlement Administrator ("**Request for Exclusion**"). The deadline to submit a Request for Exclusion is **60 calendar days** from the original date that the Class Notice was mailed (the "**Response Deadline**") (plus an additional 14 days for Class Members whose Class Notice is re-mailed). To be valid, a Request for Exclusion must be timely sent either by fax or by mail and be postmarked to the Settlement Administrator at the address listed in the Class Notice on or before the Response Deadline. The date of the postmark on the return mailing envelope or fax stamp on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. No later than five (5) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a complete list of all members of the Class who have timely submitted requests for exclusion.

B. **No right to opt out from PAGA settlement**. The Class Notice shall state that a Class Member's right to opt out applies only to the class action portion of the

Settlement and that no opt out right applies to the settlement of PAGA claims in the Action. Accordingly, each PAGA Group Member, regardless of whether they timely submit a Request for Exclusion, shall receive a portion of the PAGA Settlement Amount consistent with the calculation set forth in Section VIII(E) herein.

C. **Opt-Out Procedures.** A Class Member who wishes to opt out of the class portion of the Settlement shall send a Request for Exclusion to the Settlement Administrator, which is a letter setting forth their name, the last four digits of the Social Security number of the Class Member requesting exclusion, the name of the Action, and a statement that they request exclusion from the class and do not wish to participate in the settlement. To be valid, the Request for Exclusion must: (i) reasonably communicate the Class Member's election to be excluded from the class portion of the Settlement and contain sufficient Class Member identifying information; (ii) be signed by the Class Member; and (iii) be postmarked or fax stamped by the Response Deadline and submitted to the Settlement Administrator at the specified address or fax number. All Class Members who do not timely submit a valid Request for Exclusion shall be bound by the terms and conditions of this Agreement including the release of claims described herein, and shall also be bound by any Court orders related to this Agreement or the Action.

D. **Effect of Opt-Out.** Class Members who successfully submit a Request for Exclusion ("**Non-Participating Class Member**") will not be entitled to a settlement payment for the class portion of this Settlement, and will not be bound by the class action release of this Agreement. To the maximum extent permitted by law, any Class Member who opts out of the Settlement may not object to the Settlement. If a Class Member submits both a Request for Exclusion and an Objection, the Class Member's Request for Exclusion will be deemed to invalidate the Objection. Class Members who submit valid and timely requests to opt out of the Settlement shall not receive a payment for settlement of Class claims pursuant to the Settlement, nor shall such Class Members be bound by the terms of the Settlement of their individual claims against Defendants pursuant to this Settlement. However, Class Members who submit a valid Request for Exclusion will nevertheless be bound by the settlement and release of PAGA claims in the Settlement to the extent they are a member of the PAGA Group and will receive a payment for their individual share of the PAGA Group Payment in settlement of PAGA claims pursuant to the terms of this Agreement. Class Members who receive a Class Notice (or to whom the Class Notice is sent and not returned to the Settlement Administrator as undeliverable) but do not submit a valid and timely Request for Exclusion on or before the Response Deadline shall be deemed Participating Class Members and shall be bound by all terms of the Settlement and any Final judgment entered in the Action if the Settlement is approved by the Court.

E. The Settlement Administrator shall review each Request for Exclusion upon receipt for timeliness, completeness, and validity. If a submitted Request for Exclusion is defective or incomplete, the Settlement Administrator will promptly notify the Class Member of the defect or deficiency and permit the Class Member fourteen

(14) days from the date of the mailing of the deficient form or the Response Deadline to cure the defect (the "**Cure Deadline**"), whichever is later. Notwithstanding the foregoing, any Request for Exclusion that is cured will not be considered effective unless: (i) the original Request for Exclusion was postmarked or delivered by the Response Deadline; and (ii) the cured Request for Exclusion was postmarked or delivered by the Cure Deadline. Class Members shall only be permitted one opportunity to cure a defective Request for Exclusion.

F. Unless otherwise permitted by this Agreement, only the Settlement Administrator has the right to contact Class Members who submit a Request for Exclusion. The Settlement Administrator shall not interfere with any Class Member's right to submit a Request for Exclusion and shall communicate with a Class Member solely for purposes of determining the validity, completeness, and any defect in a submitted Request for Exclusion. The Settlement Administrator shall not have the authority to extend the Response Deadline or Cure Deadline except as directed by the Court or otherwise agreed to by the Parties in writing. The Settlement Administrator shall provide weekly updates concerning the status to both Class Counsel and counsel for Defendants, which will not in any way hamper or impede the right of Class Members to submit Requests for Exclusion.

G. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to opt out of the Settlement or to appeal from the Final Approval Order.

VII. OBJECTING TO THE SETTLEMENT

A. **Objection Rights.** Class Members who wish to object to the Settlement may do so in writing by submitting a written objection ("**Objection**") to the Settlement Administrator within the Response Deadline. Class Members may also appear at the Final Approval Hearing and present their objection orally, regardless of whether the Class Member submitted an Objection to the Settlement Administrator. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether an Objection is timely submitted. The Settlement Administrator shall provide all such Objections to Class Counsel and Defendants' counsel promptly upon receipt. The Court retains final authority with respect to the consideration and admissibility of any Class Member's Objections. Plaintiff and Defendants may respond in writing to any written Objections by **no later than seven (7) calendar days** before the Final Settlement Approval Hearing (or some other number of days as the Court shall specify) unless the Objection is received at a later time. Plaintiff and Defendants may respond to Objections orally at the Final Settlement Approval Hearing.

B. **Objection Procedures.** The Objection must: (a) contain the case name of the *McKeehan* Action; (b) contain the Class Member's full name and signature, and the last four (4) digits of their Social Security number; (c) contain a written statement of the grounds for the objection and supporting documents, if any; and (d) be sent by mail to the Settlement Administrator, postmarked on or before the Response

Deadline. These instructions, as well as information regarding how to appear will be communicated in the Class Notice.

C. Class Members who object to the Settlement may still participate in the Settlement. A Class Member who objects, but does not submit a Request for Exclusion, will remain a Participating Class Member. Accordingly, if the Court approves the Settlement, such Class Members will be bound by the terms of the Settlement in the same way as the Class Members who did not object. Only those Class Members who opt-out will not be bound by the class action portion of this Agreement.

D. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel's Attorneys' Fees and Costs and/or the Enhancement Payment to Plaintiff.

E. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

F. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written Objections to the Settlement or to appeal from the Court's Final Approval Order and judgment thereon.

G. **Objecting Class Members Not Entitled to Attorneys' Fees**. The Parties expressly agree that objecting Class Members are not entitled to recover any attorneys' fees or costs from Class Counsel's fee award. This Agreement specifically bars recovery of Attorneys' Fees and Costs for objectors even if the objection has added genuine value to the Settlement. Furthermore, nothing in this Agreement, express or implied, creates any obligation on the part of Defendants to pay any attorneys' fees or costs to an objector, even if such fees and costs are ordered to be paid by the Court.

H. **Waiver of Objection Rights.** To the fullest extent permitted by law, Class Members who fail to submit Objections in the manner specified in the Class Notice and/or fail to appear in Court to present verbal objections at the Final Approval Hearing shall be deemed to have waived any Objections and shall be foreclosed from making any Objection, whether by appeal or otherwise, to this Agreement. To the maximum extent permitted by law, the Parties agree that only the Parties and/or Class Members who make a valid and timely Objection maintain the right to appeal. If the objecting Class Member does not formally intervene in the Action or move to set aside the judgment and/or the Court rejects the Class Member's Objection, the Class Member will still be bound by the terms of this Agreement.

I. **Binding Effect of Settlement.** Although some Class Members might not receive the Class Notice or timely submit a Request for Exclusion, as provided under this Agreement, due to inability to locate their current address following the procedures set forth in this Agreement, such individuals shall nonetheless be bound by all of the terms of this Agreement and the Final Approval Order and judgment to the maximum extent permitted by law.

VIII. CALCULATION OF SETTLEMENT PAYMENTS TO CLASS MEMBERS AND PAGA GROUP

A. Upon receipt of the Class Data, and prior to the mailing of the Class Notice, the Settlement Administrator shall review the information submitted by Defendants to confirm the number of Workweeks of each Class Member during the Class Period ("**Individual Workweeks**") for purposes of performing the calculations of Individual Settlement Payments (defined below). For purposes of this Agreement, a "**Workweek**" shall be defined as a 7-day week, beginning on Saturday and ending on Friday, during which a Class Member received compensation for regular hours worked as a non-exempt employee for at least one day in the Workweek for work actually performed in California during the Class Period, but shall not include any workweeks for which a Class Member was on a paid or unpaid leave of absence.

B. The Settlement Administrator shall thereafter provide to Defendants' counsel and Class Counsel the total number of Class Members and Workweeks in the Class Data.

C. **No Claims Process**. This Settlement does not require Class Members to submit a claim form to participate in the Settlement.

D. **Individual Settlement Calculations and Payments**. No claims process shall be required of Plaintiffs or Class Members in order to participate in the Settlement. Calculations of Individual Settlement Payments will be made as follows and shall be included in the Class Notice to each Class Member and based on the assumption that no Class Member opts out:

1. The Settlement Administrator will calculate the total number of each Class Member's Individual Workweeks, and the total number of Workweeks for all Class Members ("**Class Workweeks**"). To determine each Class Member's Individual Settlement Payment, the Settlement Administrator will use the following formula: Net Settlement Amount divided by Class Workweeks ("Workweek Payment Rate") multiplied by the individual Class Member's Individual Workweeks. All Participating Class Members will receive a minimum of a single payment of the Workweek Payment Rate regardless of whether the Class Member actually worked during the Class Period.

The Individual Settlement Payments will be reduced by any required deductions for each Class Member as set forth herein, including required withholdings or deductions.

E. **Calculation of PAGA Group Members' Individual Share of PAGA Group Payment**. Each PAGA Group Member's individual share of the PAGA Group Payment shall be calculated on a pro rata basis, based on the following formula: The Settlement Administrator will calculate the total number of each PAGA Group

Member's Pay Periods during the PAGA Period ("**Individual PAGA Pay Periods**"), and the total number of Pay Periods for all PAGA Group Members in the PAGA Period ("**PAGA Group Pay Periods**"). To determine each PAGA Group Member's Individual PAGA Payment, the Settlement Administrator will use the following formula: (a) dividing the amount of the PAGA Group Payment ($7,500.00) by the total number of PAGA Group Pay Periods, and (b) multiplying the result by each PAGA Group Member's Individual PAGA Pay Periods.

The individual shares of the PAGA Group Payment constitute penalties from which no deductions or withholdings will be taken. For purposes of this Agreement, a "**Pay Period**" shall be defined as any pay period during the PAGA Period in which a PAGA Group Member received compensation for regular hours worked as a non-exempt employee for work actually performed in California for at least one day in the pay period but shall not include any full pay periods for which a PAGA Group Member was on a paid or unpaid leave of absence. All PAGA Group Members will receive at least a minimum Individual PAGA Amount equivalent to the figure paid to those PAGA Group Members who had one Individual PAGA Pay Period.

F. **Procedures for Class Members to Dispute Workweek Calculations:**

Defendants' records shall be determinative with respect to the number of Individual Workweeks for the Class Member and shall be presumptively valid, subject to this Section VIII(F). If a Class Member disagrees with the number of Individual Workweeks or Individual PAGA Pay Periods listed in his/her/their Class Notice, the Class Member may challenge the number of Individual Workweeks and/or PAGA Pay Periods by communicating with the Settlement Administrator via fax or mail by no later than the Response Deadline. The Class Member must provide the Settlement Administrator with a written statement explaining the basis for such challenge and supporting documentation, if any. In the absence of any contrary evidence, the Settlement Administrator is entitled to presume that the Individual Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Settlement Administrator's determination of each Class Member's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Settlement Administrator shall promptly provide copies of all challenges to calculation of Individual Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Settlement Administrator's determination of the challenges.

IX. TAX ALLOCATION

A. The Individual Settlement Payments to Class Members shall consist of the following: (i) 20% wages and (ii) 80% interest and penalties. Defendants will be responsible for the employer's share of payroll taxes on W-2 income, separate and apart from the Gross Settlement Amount.

B. Because 20% of the gross amount of the Individual Settlement Payments to Class Members constitutes compensation for past services rendered, it shall be considered wages. Accordingly, the Settlement Administrator shall: (i) withhold from the applicable portion of the Individual Settlement Payment the Class Member's share of all appropriate payroll taxes, including federal and state income taxes; (ii) issue to each Class Member and appropriate taxing authorities a Form W-2 statement or its equivalent with respect to the appropriate portion of the Individual Settlement Payment; (iii) issue a Form-1099 to each Class Member and appropriate taxing authorities with respect to the portions of the Individual Settlement Payment representing penalties and interest and, to the extent a Class Member is also a PAGA Group Member, the individual share of the PAGA Payment; and (iv) notify Defendants of their share of any payroll taxes attributable to the employer for the 20% of the gross amount allocated to wages, which amount will be paid separately from the Gross Settlement Amount.

C. **Allocation of Individual Settlement Payment Not Material.** The Court's approval of the allocation of the Individual Settlement Payment for Form 1099 income and Form W-2 income is not a material term of this Agreement. If the Court does not approve or approves a different allocation of the Individual Settlement Payments, the Agreement shall remain intact and all other terms of this Agreement shall apply.

D. Neither Defendants nor their counsel, nor Class Counsel make any representation, and have made no representations as to the tax treatment or legal effect of the payments called for in this Settlement Agreement, and Plaintiffs and Class Members are not relying on any statement, representation, or calculation by Defendants or their counsel, the Settlement Administrator, or Class Counsel in this regard. Plaintiffs and Class Members understand and agree that Plaintiffs and Class Members will be solely responsible for the payment of any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiffs and any Class Member who receive any payment under this Agreement should consult with their tax advisors concerning the tax consequences of the Individual Settlement Payments they receive under the Settlement.

X. FINAL SETTLEMENT APPROVAL HEARING

A. Class Counsel shall be responsible for ensuring that at least the following documents are filed with the Court in advance of the Final Settlement Approval Hearing so that the Court will have a sufficient basis upon which to evaluate and approve the Settlement:

1. A final declaration by the Settlement Administrator listing the following information: (i) attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, the mailing and re-mailing of the Class Notice (as applicable), the Class Notices returned as undelivered and attempts to locate Class Members; (ii) the total number of Requests for Exclusion the Settlement Administrator received (both valid and invalid) and a list of the names (with no other identifying information) of all persons who submitted timely and valid Requests for Exclusion; (iii) the number of Objections received and attaching copies of the Objections received so the Court can evaluate the merits of the Objections; and (iv) any other information required by the Court.

2. A duly noticed motion for final approval, accompanying memorandum of points and authorities prepared by Class Counsel, and such other pleadings, evidence or other documents as may be necessary for the Court to determine that the Settlement documented by this Agreement is fair, adequate and reasonable.

3. A Proposed Final Approval Order and judgment for the Court's signature, approving the material terms of the Settlement documented by this Agreement. The Final Approval Order will include the full text of the class and PAGA releases. The Parties shall jointly prepare the proposed final approval order and judgment to be submitted in the form mutually agreed to by the Parties.

4. The Parties will cooperate to finalize the motion for final settlement approval and supporting papers to be prepared by Class Counsel. Class Counsel shall also provide a draft of the motion for final settlement approval and supporting papers, and an opportunity to provide comments thereto, to Defendants' counsel at least ten (10) business days prior to the filing deadline for the motion. Class Counsel shall not file a motion for final settlement approval without first confirming with counsel for Defendants that Defendants have no objection to any matters stated within the final approval papers.

5. The motion for final settlement approval will include Class Counsel's applications for Attorneys' Fees and Costs and the Enhancement Payment. However, the Court's decision to award less than the amounts requested for Class Counsel's Attorneys' Fees and Costs and/or the Enhancement Payment to Plaintiffs does not constitute a material modification to the Agreement and will not terminate this Agreement.

6. The Parties agree that within five business days after the date the Final Approval Order and Judgment is entered by the Court, the Parties shall file (i) a joint stipulation for dismissal of the entire action with prejudice in the *McKeehan* PAGA Action; (ii) a joint stipulation for dismissal of the entire action with prejudice in the *McKeehan* Arbitration; and (iii) a joint stipulation for dismissal of the entire action without prejudice in the *Marslek* Action. The Parties agree to take any other necessary steps to dismiss the *McKeehan* PAGA Action, *McKeehan* Arbitration, and the *Marslek* Action as may be required by the courts and/or arbitrator, with fees and costs to be borne separately by each party. Class Counsel shall not be entitled to recover any additional fees or costs in the *McKeehan* PAGA Action, *McKeehan* Arbitration, and the *Marslek* Action, including any fees for undertaking the dismissal described in this paragraph.

7. Pursuant to Labor Code § 2699(l)(3), Class Counsel will provide to the LWDA a copy of the Court's Final Approval Order and Judgment within ten (10) days after entry of the Final Approval Order and Judgment.

XI. PAYMENT TO CLASS MEMBERS AND PAGA GROUP MEMBERS

A. No later than **thirty (30) calendar days** after the Effective Date (defined in Section I(D), Defendants shall ensure a wire transfer to a bank account designated by the Settlement Administrator is effectuated for the Gross Settlement Amount plus the separate portion of the employer-side payroll taxes. No later than **forty-five (45) calendar days** after the Effective Date, the Settlement Administrator shall issue payments to Class Members and/or PAGA Group Members pursuant to the terms of this Agreement from the above-mentioned designated bank account and issue all necessary and proper tax forms.

B. The Settlement Administrator shall mail the Individual Settlement Payments and Individual PAGA Payments by First Class U.S. Mail to each Class Member's and/or PAGA Group Member's last known address, postage prepaid. Checks shall be valid for **180 calendar days** from the date of mailing (the "**Check Cashing Deadline**"), and the face of each check shall prominently state the Check Cashing Deadline, when the check will be voided. Class Members who do not cash their settlement checks within 180 calendar days after mailing by the Settlement Administrator shall still be bound by the Settlement and the release of claims provided therein. It shall be presumed that each Class Member received his, her, or their Individual Settlement Payment (and PAGA Group Member payment, if applicable) on the date the payment was deposited in the United States mail, unless the payment is returned to the Settlement Administrator within the Check Cashing Deadline. Any check returned by the post office with a forwarding address will be re-mailed within **five (5) calendar days** by the Settlement Administrator to that forwarding address via First Class U.S. Mail. If no forwarding address is provided, the Settlement Administrator shall attempt to determine the correct address using all reasonably available sources, methods, and means, including, but not limited to, the "National Change of Address Database", skip traces, and direct contact by the Settlement Administrator with Participating Class Members, and it shall then perform a re-mailing within **7 calendar days** of receiving a returned check. The Settlement Administrator need not take further steps to deliver checks to Participating Class Members whose re-mailed checks are returned as undelivered. The Settlement Administrator shall promptly send a replacement check to any Participating Class Member whose original check was lost or misplaced, requested by the Participating Class Member prior to the void date.

C. In accordance with California Code of Civil Procedure Section 384, any checks returned to the Settlement Administrator by the post office as undeliverable after the Settlement Administrator takes steps set forth above, and all funds from checks that are not cashed by the Check Cashing Deadline, shall be distributed as follows:

1. The amount of any Individual Settlement Payments and Individual PAGA Payments that remain undeliverable or uncashed 180 calendar days after the postmarked date of the initial mailing of the checks for Individual Settlement Payments and/or Individual PAGA Payments will be paid to the California State Controller's Unclaimed Property Fund in the name of and

for the benefit of the individual who did not cash his or her check, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). The Participating Class Member and/or PAGA Group Member will nonetheless remain bound by the Settlement. The Parties agree that this disposition results in no "unpaid residue" within the meaning of California Code of Civil Procedure Section 384, as the entire Net Settlement Amount will be paid out to Class Members, whether or not they all cash their Individual Payments.

2. The Settlement Administrator shall notify the Parties' counsel of the total amount that was actually paid to the Class Members and the amount of funds that are unclaimed.

3. At a date set by the Court for a final accounting in accordance with California Code of Civil Procedure Section 384(b), the Parties shall advise the Court of the total amount that was actually paid to Class Members under this Agreement and the amount of funds that are unclaimed by Class Members and transmitted to the California State Controller's Unclaimed Property Fund.

D. **No Impact On Contributions To Employee Benefit Plans**. None of the payments made pursuant to this Agreement shall be considered to alter the terms or to grant any rights to additional payments under any employee benefit plans. None of the payments made pursuant to this Agreement shall be considered for purposes of determining eligibility for, vesting or participation in, or contributions to any benefit plan, including, without limitation, all plans subject to the Employee Retirement and Income Security Act of 1974 ("**ERISA**"). Any distribution of payments to Plaintiffs or Class Members shall not be considered as a payment of wages or compensation under the terms of any applicable benefit plan and shall not affect participation in, eligibility for, vesting in, the amount of any past or future contribution to, or level of benefits under any applicable benefit plan. Any amounts paid will not impact or modify any previously credited hours of service or compensation taken into account under any bonus or incentive plan, benefit plan sponsored or contributed to by Defendants or any jointly-trusteed benefit plan, or for purposes of calculating the regular rate of pay. For purposes of this Agreement, "benefit plan" means each and every "employee benefit plan," as defined in 29 U.S.C. § 1002(3), and, even if not thereby included, any 401(k) plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare, profit sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred compensation, or any other similar benefit plan, practice, program, or policy.

XII. PAYMENT OF ATTORNEYS' FEES AND COSTS TO CLASS COUNSEL; SETTLEMENT ADMINISTRATION EXPENSES; ENHANCEMENT PAYMENT

A. No later than **forty-five (45) calendar days** after the Effective Date, the Settlement Administrator shall transfer the following amounts, as awarded by the Court:

1. To Class Counsel, the amounts ordered by the Court for all attorneys' fees and costs incurred in prosecuting the Action;

2. To the Settlement Administrator, the amounts ordered by the Court for all its expenses;

3. To Plaintiffs, the amount ordered by the Court for the Enhancement Payment; and

4. To the LWDA, the LWDA Payment.

XIII. RIGHT TO INCREASE GROSS SETTLEMENT AMOUNT OR CHANGE END DATE OF RELEASE PERIOD BASED ON QUALIFYING WORKWEEKS OF CLASS MEMBERS.

A. Defendants have estimated that there are approximately 369 nonexempt California employees who worked approximately 21,015 Class Workweeks from May 15, 2020, to November 19, 2024. If it is later determined that the number of actual Class Workweeks exceeds 10% of the estimated Class Workweeks (*i.e.,* if the Class Workweeks exceeded 23,117) as of the date of the hearing on the motion for preliminary settlement approval or June 30, 2025, whichever is earlier, Defendants have the option of either of the following Section XIII(A)(a) or (b):

a. increasing the Gross Settlement Amount proportionately by the Workweeks worked by Class Members above the ten percent threshold (for example, if the number of total Class Workweeks increases by 11%, the Gross Settlement Amount shall increase by one percent (1%).) Workweeks shall include only those workweeks where a Class Member rendered actual services in California as a nonexempt employee (*i.e.*, excludes any workweeks where a Class Member was on leave or worked in an exempt position or outside of California), OR

b. Alternatively, Defendants may elect to change the end date of the Class Period to be the date at which the number of Workweeks worked by the Class reaches 23,117.

Defendants must make an election between options (a) and (b) above prior to the mailing of the Class Notices such that the Class Notice contains a definitive class period and Gross Settlement Amount.

B. The Parties agree that, except as set forth in this Section XIII and the employer share of payroll taxes, under no circumstances shall Defendants be obligated to pay any amount that exceeds five hundred ninety-nine thousand dollars ($599,000)**.**

XIV. INVALIDATION OF AGREEMENT FOR FAILURE TO SATISFY CONDITIONS

A. In the event the Court fails to enter final judgment approving the Settlement consistent with the terms set forth in this Agreement after the Parties have exhausted all reasonable efforts to amend the Agreement to address the Court's concerns, or such final judgment is vacated or reversed, the Actions shall proceed as if no settlement had been attempted and revert back to their prior procedural posture. In such event, nothing in this Agreement shall be used, construed or admissible as evidence by or against any Party as a determination, admission, or concession of any issue of law or fact in the Actions, or in any other proceeding for any purpose; and the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend the Actions as if this Agreement never existed. Further, in such event, the Parties shall each pay half of the costs of administration that have been incurred by the Settlement Administrator.

B. **Defendants' Right to Withdraw.** If, prior to the Final Settlement Approval Hearing, the number of persons who submit valid and timely Requests for Exclusion exceeds five percent (5%) of the total number of Class Members, then Defendants shall have the sole and absolute discretion to withdraw from this Agreement. If Defendants elect to so withdraw, the withdrawal shall have the same effect as a termination of this Agreement for failure to satisfy a condition of settlement. If Defendants elect to withdraw, Defendants will remain responsible for paying all Settlement Administrator's expenses incurred to that point.

C. If this Agreement is terminated for failure to satisfy any of the material terms or conditions, Defendants shall not be obligated to create or maintain any type of settlement fund and shall not be obligated to make any settlement payment to any Class Member, PAGA Group Member, LWDA, Class Counsel, or to Plaintiffs.

XV. RELEASES, REPRESENTATIONS AND WARRANTIES

A. Class Member Release

1. <u>Release of Claims by McKeehan, Marslek, and Class Members</u>. Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, in consideration of the monetary sum provided by Defendants, Plaintiffs and each of the Participating Class Members, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns, shall waive, fully release and forever discharge the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of any kind arising from the alleged violation of any provision of common law, California law and/or federal law which was alleged or could have been alleged based on the facts or theories alleged in any of Plaintiffs' complaints filed in the Actions or letters to the LWDA, and that arose at any time during the Class Period (the "**Settled Claims**"), including but not limited to claims for off-the-clock work, unpaid wages,

unpaid overtime wages, failure to timely pay all wages earned every pay period, failure to pay all compensation at the regular rate of pay or the correct regular rate of pay, failure to provide meal periods or rest periods, unpaid premium wages for meal periods or rest periods (including with respect to the rate at which premiums were paid), untimely payment of wages, inaccurate wage statements, recordkeeping violations, failure to timely pay all wages owed upon termination, unfair competition (Bus. & Prof. Code § 17200), unlawful deductions from wages, failure to pay wages due to an invalid alternative workweek schedule, failure to reimburse business expenses, and claims under Labor Code sections 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and 2802 and applicable sections of the relevant Order of the Industrial Welfare Commission. Plaintiffs and Participating Class Members shall be permanently barred and enjoined from the institution or prosecution of any and all Settled Claims against the Released Parties, except as to such rights or claims as may be created by the Settlement. "**Released Parties**" means Superior Air Charter, LLC, JetSuiteX, Inc., Delux Public Charter, LLC, and each of their former and present employees, directors, partners, shareholders, officers, owners, attorneys, agents, insurers, brands, dba's, concepts, predecessors, successors, assigns, parents, subsidiaries, affiliates, administrators, legal representatives, estates, powers-of-attorney, and any individual or entity which could be jointly liable with Defendants and all persons or entities acting by, through, under, or in concert with any of them.

a) This Settlement and the judgment entered thereon shall have res judicata effect precluding Plaintiffs and the Participating Class Members from initiating any other proceedings regarding claims released pursuant to this Agreement.

B. **PAGA Release of Claims**

1. <u>Release of PAGA Claims</u>. For the avoidance of doubt, Class Members and PAGA Group Members have no opt out rights as to the PAGA portion of the Settlement. Accordingly, effective on the date when Defendants fully fund the entire Gross Settlement Amount, in consideration of the PAGA Settlement Amount, Plaintiffs, on behalf of Plaintiffs and the State of California, and all PAGA Group Members, waive, fully release and forever discharge the Released Parties from any and all claims under PAGA that were alleged, or reasonably could have been alleged, based on the facts or theories alleged in any of Plaintiffs' complaints filed in the Actions or letters to the LWDA, and that arose at any time during the PAGA Period, including but not limited to claims for off-the-clock work, unpaid wages, unpaid overtime wages, failure to timely pay all wages earned every pay period, failure to pay all compensation at the regular rate of pay or the correct regular rate of pay, failure to provide meal periods or rest periods, unpaid premium wages for meal periods or rest periods (including with respect to

the rate at which premiums were paid), untimely payment of wages, inaccurate wage statements, recordkeeping violations, failure to timely pay all wages owed upon termination, unlawful deductions from wages, failure to pay wages due to an invalid alternative workweek schedule, failure to reimburse business expenses, and claims under Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and 2802 and applicable sections of the relevant Order of the Industrial Welfare Commission.

C. **General Release by McKeeehan and Marslek; Representations and Warranties**

1. General Release by McKeehan and Marslek. In addition to the Class Member Release of Claims and PAGA Group Member release of claims described in this Agreement, effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, McKeehan and Marslek, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns, each fully release and forever discharge the Released Parties from any and all claims, known or unknown, which Plaintiffs now have or may have against any of the Released Parties, including but not limited to claims arising out of or relating to Plaintiffs' employment with Defendants, including the end of the employment relationship, and any act, omission, or transaction of or by Defendants or any of the Released Parties occurring on or before the Effective Date. This release is intended to be interpreted broadly and is intended to include, without limitation, all common law claims (including but not limited to: breach of contract, breach of fiduciary duty, breach of the covenant of good faith and fair dealing, wrongful discharge in violation of public policy, infliction of emotional distress, negligence, invasion of privacy, interference with contractual relationship, defamation and fraud), as well as any statutory claims arising under federal, state or local law. ("Plaintiffs' General Release"). Plaintiffs acknowledge that Plaintiffs may discover facts and/or law different from and/or in addition to the facts and/or law that Plaintiffs now know or believe to be true, but agree, nonetheless, that Plaintiffs' General Release shall be and remain effective in all respects notwithstanding the existence of such different and/or additional facts and/or law or Plaintiffs' discovery of them. The Parties also note that Plaintiff Marslek has also separately executed a release of claims that includes claims he brought in a separate arbitration alleging the following claims: (1) Violation of Labor Code Section 1102.5; (2) Violation of Labor Code Section 6310; and (3) Wrongful Termination in Violation of Public Policy (the "Wrongful Termination Arbitration"). Furthermore, Plaintiffs' General Release does not extend to any claims or actions to enforce the Settlement, to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or to any claims that are not releasable as a

matter of law or public policy. Nothing herein is intended to preserve any claims that are released pursuant to Section XV(A)-(B).

a) Section 1542 Waiver. For purposes of Plaintiffs' General Release only, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of California Civil Code section 1542, which reads: "**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**."

2. Representations and Warranties. Plaintiffs hereby represent, covenant, and warrant that Plaintiffs 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. Plaintiffs further agree that Plaintiffs shall not in any way hereafter commence, join, aid, or assist others in pursuing any claim, charge or action against any of the Released Parties for any acts or omissions released under this Agreement.

D. **No Misrepresentation**

The Parties understand that the facts with respect to which this Agreement is entered into may be materially different from those the Parties now believe to be true. The Parties accept and assume this risk, and agree that this Agreement, including specifically the releases contained herein, shall remain in full force and effect, and legally binding, notwithstanding the discovery or existence of any additional or different facts, or any claims with respect to those facts.

XVI. CONFIDENTIALITY

The Parties and their counsel shall keep confidential all settlement communications regarding the negotiation and drafting of this Agreement. Neither the Parties nor their counsel will issue any press release or other public representation regarding the settlement, other than as necessary to obtain court approval and effectuate the terms of the settlement. Provided, however, that the Court may be notified, if necessary prior to the filing of the motion for preliminary approval, that the Parties have settled the case subject to court approval while not mentioning the terms of the Settlement. The Parties and their counsel further agree that they will not initiate or have any contact with the press, respond to any press inquiry, or have any communication with the press about the Actions. Class Counsel will not communicate with other attorneys about this settlement, nor utilize it in any way in their marketing or advertising materials or website. Nothing in this paragraph shall restrict the Parties from making any disclosures necessary to seek Court approval or to communicate with the Class Members consistent with the terms of this Agreement.

XVII. MISCELLANEOUS PROVISIONS

A. **Acknowledgment that the Settlement is Fair and Reasonable**

The Parties believe this Agreement is a fair, adequate, and reasonable settlement of the Actions, which was reached after non-collusive, arm's-length negotiations and mediation and in the context of adversarial litigation, considering all relevant factors, present and potential, including the risk of continued litigation. The Parties agree, covenant, and represent that this Agreement shall constitute a compromise of, and full accord and satisfaction of, disputed claims.

B. **No Admission of Liability**

The Parties agree, covenant, and represent that neither this Agreement nor any actions undertaken by Defendants in satisfaction of this Agreement shall constitute, or be construed as, an admission of any liability or wrongdoing by Defendants at any time, or as an admission by Defendants that class certification, or litigation on a representative basis is proper in the Actions. By entering into this agreement, Defendants do not admit liability in the Actions. Defendants expressly deny that they have violated any law, breached any agreement or obligation to Plaintiffs or the Class Members, or engaged in any wrongdoing with respect to Plaintiffs or the Class Members or the PAGA Group Members.

C. **Representation by Counsel**

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel. Further, Plaintiffs warrant and represent that Plaintiffs are fully authorized to enter into this Agreement and the terms and conditions thereof, that there are no liens on the Agreement, and that after entry by the Court of the orders specified in this Agreement, the Settlement Administrator may distribute funds to Class Members, PAGA Group Members, Class Counsel, the LWDA, and Plaintiffs as provided by this Agreement.

D. **Deadlines Set by this Agreement and Extensions of Time**

If any deadline set by this Agreement falls on a Saturday, Sunday, or Court holiday, the deadline shall be deemed to fall on the next day that is not a Saturday, Sunday, or Court holiday. Further, the Parties may, by mutual agreement, agree upon a reasonable extension of time for deadlines and dates reflected in this Settlement Agreement, subject to Court approval when required.

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E. **Notice**

All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered personally, by first class mail, or email to the undersigned persons at their respective addresses as set forth below:

<u>Counsel for Plaintiffs and the Class Members:</u>

Kristy R. Connolly
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9811 Irvine Center Drive, Suite 100
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Attorneys for Plaintiff Jacob McKeehan and the Class

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Attorneys for Plaintiff Robert Marslek and the Class

<u>Counsel for Defendants:</u>

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San Diego, California 92121
Telephone (858) 314-1200
kwooley@jonesday.com
Attorneys for Defendants Superior Air Charter, LLC, JetSuiteX, Inc., and Delux Public Charter, LLC

F. **Memorandum of Understanding Superseded by this Agreement**

Upon the date that this Agreement becomes fully executed by all Parties, this Agreement shall supersede the Memorandum of Understanding between the Parties that was fully executed on February 27, 2025.

G. **Incorporation by Reference**

The terms of this Agreement include the Recitals, which are incorporated by this reference as though fully set forth herein.

H. **Captions**

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

I. **Mutual Preparation**

This Agreement has been jointly prepared by the Parties and their counsel. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, the Parties expressly waive the common-law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement, and agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

J. **Waiver of Right to Appeal**

As part of this Settlement, Plaintiffs waive their rights to file an appeal and/or a writ or any challenge whatsoever to the terms of the impending stipulated judgments contemplated in the Actions so long as they are consistent with the terms and conditions of this Agreement.

K. **Entire Agreement**

This Agreement comprises the Parties' entire agreement. There are no other agreements, written or oral, express or implied, between the Parties with respect to the subject matter hereof except this Agreement. The Parties acknowledge that no representations, statements or promises made by any other party, or by their respective agents or attorneys, have been relied upon in entering into this Agreement. The Parties explicitly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms of this Agreement.

L. **Amendment or Modification**

This Agreement may be modified or amended only if such modification or amendment is agreed to in writing and signed by a duly authorized representative of the Parties hereto, which writing shall expressly state the intent of the Parties to modify this Agreement.

M. **Severability**

The Parties to this Agreement agree, covenant, and represent that each and every provision of this Agreement shall be deemed to be contractual, and that they shall not be treated as mere recitals at any time or for any purpose. Therefore, the Parties further agree, covenant, and represent that each provision of this Agreement shall be considered severable, except for the release provisions of Section XV of this Agreement. If the Court finds the release provisions of this Agreement to be unenforceable or invalid after the Parties' efforts to resolve any issues addressed by the Court as specified in Section XVII(P), then this Agreement shall become null and void and Defendants shall have no obligation to make any payments pursuant to this Agreement. If the Court finds any provision other than the release provisions of Section XV, or part thereof, to be invalid or unenforceable for any reason, that provision, or part thereof, shall remain in full force and effect to the extent allowed by law, and all of the remaining provisions of this Agreement shall remain in full force and effect.

N. **Waiver**

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

O. **Execution and Counterparts**

This Agreement, and any other documents required or contemplated to be executed to consummate this Agreement, may be executed in one or more counterparts, each of which shall be deemed an original of this Agreement. All counterparts of any such document together shall constitute one and the same instrument. Any party may sign and deliver this Agreement by signing on the designated signature block and transmitting that signature page via facsimile or as an attachment to an e-mail to counsel for the other party. Any signature made and transmitted by facsimile, email, DocuSign, or as an attachment to an e-mail for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party who transmits the signature page.

P. **Binding on Successors and Assigns**

This Agreement shall be binding upon, and shall inure to the benefit of the Parties, including Participating Class Members and PAGA Group Members, as well as their respective heirs, spouses, children, assigns, executors, administrators, successors, beneficiaries, subsidiaries, conservators, representatives, attorneys, estates, divisions and affiliated corporations and partnerships, past and present, and trustees, directors, officers, shareholders, partners, agents and employees, past and present, of the Parties.

Q. **California Law Governs**

All terms of this Agreement will be governed by and interpreted according to the laws of the State of California.

R. **Cooperation in Administration**

The Parties agree to fully cooperate with one another to accomplish the terms of this Agreement, including but not limited to, execution of such documents and taking such other action as reasonably may be necessary to implement the terms of this Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order, suggestion, or recommendation of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. The Parties' efforts to continue to cooperate and make all best efforts to obtain approval of this Agreement shall only cease after the Parties have exhausted all opportunities to amend or modify this Agreement, including seeking the assistance of the mediator, and the filing of any motions to obtain approval of this Agreement.

S. **All Terms Subject to Final Court Approval**

All amounts and procedures described in this Agreement herein will be subject to final Court approval.

T. **Disputes**

If the Parties have a dispute with regard to the language of this Agreement, they agree to first attempt to resolve the dispute informally through good-faith negotiations, but if those efforts are unsuccessful, the Court retains full jurisdiction to interpret, construe, and enforce the terms of this Agreement.

U. **Judgment and Continued Jurisdiction**

The Court shall retain jurisdiction pursuant to Code of Civil Procedure Section 664.6 over the implementation of this Agreement as well as any and all matters arising out of, or related to, the implementation of this Agreement and Settlement including post-judgment matters as may be appropriate under court rules or as set forth in this Agreement. In the event that an action is brought to enforce any of the terms of this Agreement, the prevailing party shall be entitled to its/his reasonable attorneys' fees and costs.

V. **Interim Stay of Proceedings**.

The Parties agree to refrain from further litigation, except such proceedings as necessary to seek and obtain preliminary and final settlement approval. If this Agreement is not finally approved, the Parties agree that they will revert to their positions in the Actions prior to the time they entered into this Agreement, and no agreements set forth in this Agreement or any documents generated or orders issued related to this Agreement will be admissible in any future proceeding, in the Actions or in any other action.

THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL KNOWLEDGE OF ITS CONSEQUENCES.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

PLAINTIFFS

Dated: 05/08/2025 Jacob McKeehan (May 8, 2025 16:24 PDT)

Jacob McKeehan

Signed by:

Dated: 5/6/2025

77201D5671184DF...

Robert Marslek

DEFENDANTS

Dated: ______________________

____
Name:
Title:
On behalf of Delux Public Charter, LLC

Dated: ______________________

____
Name:
Title:
On behalf of Superior Air Charter, LLC.

Dated: ______________________

____
Name:
Title:
On behalf of JetSuiteX, Inc.

Approved as to form and agrees to be bound by the confidentiality provisions in the Agreement:

AEGIS LAW FIRM

Dated: 5/9/2025

____
Kristy R. Connolly
Attorneys for Plaintiff Jacob McKeehan and the Class

DIVERSITY LAW GROUP

Dated: ______________________

____
Larry Lee
Attorneys for Plaintiff Robert Marslek and the Class

JONES DAY

Dated: ______________________

____
Koree Wooley
Attorneys for Defendants

DEFENDANTS

Dated: 5/8/2025

Name: Kerrie V. Forbes
Title: Chief Legal Officer
On behalf of Delux Public Charter, LLC

Dated: 5/8/2025

Name: Kerrie V. Forbes
Title: Chief Legal Officer
On behalf of Superior Air Charter, LLC.

Dated: 5/8/2025

Name: Kerrie V. Forbes
Title: Chief Legal Officer
On behalf of JetSuiteX, Inc.

Approved as to form and agrees to be bound by the confidentiality provisions in the Agreement:

AEGIS LAW FIRM

Dated: ______________________

Kristy R. Connolly
Attorneys for Plaintiff Jacob McKeehan and the Class

DIVERSITY LAW GROUP

Dated: ______________________

Larry Lee
Attorneys for Plaintiff Robert Marslek and the Class

JONES DAY

Dated: May 8, 2025

Koree Wooley
Attorneys for Defendants

EXHIBIT 2

AEGIS LAW

AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: 949.379.6250
Facsimile: 949.379.6251
www.aegislawfirm.com

July 28, 2022

VIA ONLINE SUBMISSION

California Labor and Workforce Development Agency
Attn: PAGA Administrator

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Agent for Service of Process for JetSuiteX, Inc.:
Incorporating Services, LTD.
7801 Folsom Blvd #202
Sacramento, CA 95826

Re: *Jacob McKeehan v. JetSuiteX, Inc.*

Dear Labor and Workforce Development Agency and JetSuiteX, Inc.:

Please allow this correspondence to serve as written notice required by California Labor Code § 2699.3(a)(1) of the specific provisions of the Labor Code allegedly violated by JetSuiteX, Inc. ("JetSuiteX") and the facts and theories in support of said allegations. This firm represents Jacob McKeehan ("Claimant"); we hereby notify you that Claimant intends to seek penalties against JetSuiteX under the Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698 *et seq.*, on Claimant's own behalf and all other aggrieved employees.

Specific Provisions of the Labor Code Allegedly Violated by JetSuiteX

The specific provisions of the Labor Code allegedly violated by JetSuiteX and the provisions under which Claimant submits this correspondence include the following: §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198.

Facts and Theories Supporting the Allegations Against JetSuiteX

Claimant and other aggrieved employees worked for JetSuiteX in California as non-exempt employees. Claimant was employed by JetSuiteX in California within the past year.

During the past year, JetSuiteX failed to provide 30-minute uninterrupted meal periods within the appropriate time intervals to Claimant and other aggrieved employees as required by Labor Code section 512 and section 11 of the applicable Wage Order. Claimant and other aggrieved employees frequently worked shifts over five hours and did not receive lawful meal periods because they were discouraged from taking meal periods, were interrupted during their meal periods, were required to remain on call during meal periods, and/or were not scheduled to be relieved at the appropriate intervals to receive all lawful meal periods, among other reasons. As a result, their meal periods were missed, late, short, and/or interrupted.

When Claimant and other aggrieved employees missed meal periods or if the meal periods were late, short, and/or interrupted, JetSuiteX violated Labor Code sections 226.7 and 512, as well as section 11 of the applicable Wage Order, by failing to pay an additional hour of pay at the regular rate of pay to Claimant and other aggrieved employees for every day in which they suffered a meal period violation.

JetSuiteX failed to authorize or permit paid 10-minute rest periods for every four hours or major fraction thereof worked because Claimant and other aggrieved employees were required or incentivized to work through their rest periods, discouraged from taking their rest periods, required to remain on call during rest periods, and/or were not scheduled to be relieved at the appropriate intervals to receive all rest periods.

When Claimant and other aggrieved employees did not receive rest periods, JetSuiteX violated Labor Code section 226.7 and section 12 of the applicable Wage Order by failing to pay an additional hour of pay at the regular rate of pay to Claimant and other aggrieved employees.

JetSuiteX failed to pay Claimant and other aggrieved employees at least the legal minimum wage and overtime wage for all hours worked (in violation of Labor Code sections 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198) due to JetSuiteX's policy and practice of requiring Claimant and aggrieved employees to work off-the-clock, failing to pay wages using the appropriate regular rate of pay or the required minimum wage, and/or failed to pay for all recorded time, among other reasons. JetSuiteX failed to pay Claimant and other aggrieved all minimum, regular, and overtime wages for these hours.

As a result of, and in addition to, these actions, JetSuiteX violated Labor Code sections 226, and 226.3 by failing to provide itemized wage statements that accurately reported the following: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Specifically, the wage statements failed to list the correct hours, rates, and pay due to the above unpaid wage violations, among other violations.

JetSuiteX violated Labor Code sections 1174 and 1174.5 by failing to maintain accurate and complete records showing the hours worked daily by the aggrieved employees and the wages paid to aggrieved employees (due to the same underpayment of wages referenced above).

Furthermore, JetSuiteX violated the Labor Code by failing to properly pay all these wages owed throughout aggrieved employees' employment and following the end of these workers' employment with JetSuiteX due to the above violations (in violation of Labor Code sections 201, 202, 203, 204).

Based on these violations, Claimant seeks attorneys' fees, interest, and penalties under the Labor Code. Enclosed and incorporated by reference is the class action complaint Claimant intends to file on behalf of himself and all other aggrieved employees against JetSuiteX. Claimant intends to amend the complaint to include a cause of action pursuant to Labor Code §§ 2698, *et seq.*, after the minimum required review period elapses and will file a conformed copy of the complaint after it has been filed with the court.

Thank you for your assistance on this matter. Should you have any questions or comments, please do not hesitate to contact the undersigned.

Very truly yours,
AEGIS LAW FIRM, PC

Jessica L. Campbell

Enclosure: Class Action Complaint

EXHIBIT 3

AEGIS LAW

AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: 949.379.6250
Facsimile: 949.379.6251
www.aegislawfirm.com

May 9, 2025

VIA ONLINE SUBMISSION

California Labor and Workforce Development Agency
Attn: PAGA Administrator

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Agent for Service of Process for JetSuiteX, Inc.:
Incorporating Services, LTD.
7801 Folsom Blvd #202
Sacramento, CA 95826

Agent for Service of Process for Superior Air Charter, LLC
Incorporating Services, LTD.
7801 Folsom Blvd #202
Sacramento, CA 95826

Agent for Service of Process for Delux Public Charter, LLC
Incorporating Services, LTD.
7801 Folsom Blvd #202
Sacramento, CA 95826

Re: *Jacob McKeehan v. JetSuiteX, Inc.*

Dear Labor and Workforce Development Agency; Superior Air Charter, LLC; JetSuiteX, Inc., and Delux Public Charter, LLC:

Please allow this correspondence to serve as an amended written notice required by California Labor Code § 2699.3(a)(1) of the specific provisions of the Labor Code allegedly violated by Superior Air Charter, LLC, JetSuiteX, Inc., and Delux Public Charter, LLC (collectively "Respondents") and the facts and theories in support of said allegations. This firm represents Jacob McKeehan ("Claimant"); we hereby notify you that Claimant intends to seek penalties against Respondents under the Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698 *et seq.*, on Claimant's own behalf and all other aggrieved employees, consisting of all current and former persons employed by Respondents in California as a non-exempt employee.

This amended notice supplements the previous letters, submitted on July 28, 2022 and October 13, 2022, adding additional facts and theories in support of Claimant's existing overtime wages claim and adding additional claims for violations of Labor Code sections 2800 and 2802.

Claimant also amends this notice to add Delux Public Charter, LLC, as an additional joint employer.

Specific Provisions of the Labor Code Allegedly Violated by Respondents

The specific provisions of the Labor Code allegedly violated by Respondents and the provisions under which Claimant submits this correspondence include the following: §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800 and 2802.

Facts and Theories Supporting the Allegations Against Respondents

Claimant and other aggrieved employees worked for Respondents in California as non-exempt employees. Claimant was employed by Respondents in California within the past year.

During the past year, Respondents failed to provide 30-minute uninterrupted meal periods within the appropriate time intervals to Claimant and other aggrieved employees as required by Labor Code section 512 and section 11 of the applicable Wage Order. Claimant and other aggrieved employees frequently worked shifts over five hours and did not receive lawful meal periods because they were discouraged from taking meal periods, were interrupted during their meal periods, were required to remain on call during meal periods, and/or were not scheduled to be relieved at the appropriate intervals to receive all lawful meal periods, among other reasons. As a result, their meal periods were missed, late, short, and/or interrupted.

When Claimant and other aggrieved employees missed meal periods or if the meal periods were late, short, and/or interrupted, Respondents violated Labor Code sections 226.7 and 512, as well as section 11 of the applicable Wage Order, by failing to pay an additional hour of pay at the regular rate of pay to Claimant and other aggrieved employees for every day in which they suffered a meal period violation. Further, to the extent meal period premium wages were paid, Respondents underpaid such wages by failing to include all nondiscretionary compensation and paying premium wages at the correct regular rate of pay.

Respondents failed to authorize or permit paid 10-minute rest periods for every four hours or major fraction thereof worked because Claimant and other aggrieved employees were required or incentivized to work through their rest periods, discouraged from taking their rest periods, required to remain on call during rest periods, and/or were not scheduled to be relieved at the appropriate intervals to receive all rest periods.

When Claimant and other aggrieved employees did not receive rest periods, Respondents violated Labor Code section 226.7 and section 12 of the applicable Wage Order by failing to pay an additional hour of pay at the regular rate of pay to Claimant and other aggrieved employees. Further, to the extent rest period premium wages were paid, Respondents underpaid such wages by failing to include all nondiscretionary compensation and paying premium wages at the correct regular rate of pay.

Respondents failed to pay Claimant and other aggrieved employees at least the legal minimum wage and overtime wage for all hours worked (in violation of Labor Code sections 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198) due to Respondents' policy and practice of requiring Claimant and aggrieved employees to work off-the-clock, including working through meal periods, failing to pay wages using the appropriate regular rate of pay or the required minimum wage, and/or failed to pay for all recorded time, among other reasons. Respondents failed to pay Claimant and other aggrieved all minimum, regular, and overtime wages for these hours.

Additionally, Respondents implemented an invalid alternative workweek schedule and/or failed to pay proper overtime under a valid alternative workweek schedule. Respondents' alternative workweek schedule was not properly registered with the Division of Labor Standards Enforcement, and/or the elections were not completed properly. As a consequence of an invalid alternative workweek schedule, and a practice and policy of not paying for all hours worked at the correct rate, Respondents did not pay overtime wages for all hours worked at Claimant's and other aggrieved employees' proper overtime pay rate, including, but not limited to hours worked in excess of eight hours in a day, 12 hours in a day, 40 hours in a week, and/or hours worked on a seventh consecutive day (in violation of Labor Code sections 510, 511, 1194, and 1198).

Claimant and other aggrieved employees incurred necessary business-related expenses as a direct consequence of the discharge of their job duties for the benefit of Respondents which were not reimbursed by Respondents, including, for example, expenses incurred for the required use of personal cell phones for work purposes, mileage expenses for necessary work travel, and expenditures for personal protective equipment, tools, supplies and other equipment. As such, Respondent violated Labor Code §§ 2800 and 2802 by failing to reimburse Claimant and other aggrieved employees for such expenses.

As a result of, and in addition to, these actions, Respondents violated Labor Code sections 226, and 226.3 by failing to provide itemized wage statements that accurately reported the following: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Specifically, the wage statements failed to list the correct hours, rates, and pay due to the above unpaid wage violations, among other violations.

Respondents violated Labor Code sections 1174 and 1174.5 by failing to maintain accurate and complete records showing the hours worked daily by the aggrieved employees and the wages paid to aggrieved employees (due to the same underpayment of wages referenced above).

Furthermore, Respondents violated the Labor Code by failing to properly and timely pay all these wages owed throughout aggrieved employees' employment and by maintaining a practice of late payment of wages earned during the pay period. Claimant is also informed and believes and based thereon alleges that Respondents' company-wide policy and practice in California is to pay employees more than 7 days after the close of the pay period (in violation of Labor Code section 204).

Respondents also failed to pay all wages due upon the termination of workers' employment with Respondents due to the above violations (in violation of Labor Code sections 201, 202, 203).

Based on these violations, Claimant seeks attorneys' fees, interest, and penalties under the Labor Code. Claimant intends to amend the complaint to include Jet Suite, Inc. and Superior Air Charter, LLC, after the minimum required review period elapses.

Thank you for your assistance on this matter. Should you have any questions or comments, please do not hesitate to contact the undersigned.

Very truly yours,
AEGIS LAW FIRM, PC

Kristy Connolly

Kristy R. Connolly

EXHIBIT 4

EXHIBIT 5

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

McKeehan, et al. v. JetSuiteX, Inc., et al., Los Angeles County Superior Court Case No. 22STCV24435

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

You may be eligible to receive money from an employee class action and Labor Code Private Attorneys General ("PAGA") lawsuit ("Action") against Superior Air Charter, LLC, JetSuiteX, Inc., and Delux Public Charter, LLC (collectively, "Defendants") for alleged wage and hour violations. The Action was filed by Jacob McKeehan and Robert Marslek (collectively, "Plaintiffs"), and seeks payment of (1) back wages and other relief for a class of non-exempt employees (the "Class Members") who were employed by Defendants during the Class Period (May 15, 2020 through June 30, 2025); and (2) penalties under the California Private Attorneys General Act ("PAGA") for all non-exempt employees who were employed by Defendants during the PAGA Period (July 28, 2021 through June 30, 2025) (the "PAGA Group Members").

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

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be $______ (less withholding) and your Individual PAGA Payment is estimated to be $______.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants' records you are not eligible for an Individual PAGA Payment under the Settlement because you were not employed by Defendants during the PAGA Period.)

The above estimates are based on Defendants' records showing that **you worked ________ workweeks** during the Class Period and **you worked ______ pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you were employed by Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert the Released Class Claims and Released PAGA Claims against Defendants.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class portion of the Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Class portion of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue the Released Class Claims against Defendant.

You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all PAGA Group Members and the PAGA Group Members must give up their rights to pursue PAGA Group Members' Released Claims (defined below).

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Settlement Payment and an Individual PAGA Group Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims). Your payment will be mailed to you, automatically, after the Court grants final approval to the Settlement and final judgment is entered. [*You must, however, keep a current address on file with the Settlement Administrator to ensure delivery of your check to your current address*.]
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is _______________**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Settlement Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.

	You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay PAGA Group Payments to all PAGA Group Members and the PAGA Group Members must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement **Written Objections Must be Submitted by ______________**	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____________ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on ______________. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods **Written Challenges Must be Submitted by ______________**	The amount of your Individual Class Settlement Payment and PAGA Group Payment (if any) depends on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by ___________. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

The Action accuses Defendants of violating California labor laws by allegedly failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by the following attorneys in the Action: Kashif Haque, Samuel Wong, Jessica Campbell, and Kristy Connolly of Aegis Law Firm; Larry Lee of Diversity Law Group; William Marder of Polaris Law Group; and Dennis Hyun of Hyun Legal, APC ("Class Counsel").

Defendants deny all allegations in the Action and contend they complied with the California Labor Code and all other applicable laws. The Settlement is not an admission of any wrongdoing by Defendants or an indication any law was violated. The Court has not ruled on the merits of the claims asserted in the Lawsuit. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial.

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

The Court did not decide in favor of Plaintiffs or Defendants. There was no trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, after engaging in a private mediation with an experienced mediator, the Parties have agreed to settle the Action on the terms summarized in this Notice and have asked the Court to enter a judgment ending the Action and enforcing the Settlement.

This Settlement was reached after an exchange of extensive information about the facts and legal arguments in support of, and against, all of the claims raised in the lawsuit. By settling the lawsuit, the parties avoid the burden, expense and uncertainty of litigation. Both sides agree the proposed Settlement is a compromise of disputed claims.

By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Group Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

A. <u>Defendants Will Pay $599,000.00 as the Gross Settlement Amount (Gross Settlement).</u> Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Settlement Payments, Individual PAGA Group Payments, Class Representative Enhancement Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the time period to appeal the Judgment has been exhausted without any appeals having been filed or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

B. <u>Court Approved Deductions from Gross Settlement.</u> At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

i. Up to one-third (1/3) of the Gross Settlement (or $199,666.67) to Class Counsel for attorneys' fees and up to $40,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

ii. Up to $10,000.00 as a Class Representative Enhancement Award to each Plaintiff for filing the Action, working with Class Counsel and representing the Class. A Class Representative Enhancement Award will be the only monies Plaintiffs will receive other than their Individual Class Settlement Payment and any Individual PAGA Group Payment.

iii. Up to $6,950.00 to the Administrator for services administering the Settlement.

iv. Up to $30,000.00 for PAGA Penalties, allocated 75% to the LWDA Payment and 25% in Individual PAGA Group Payments to the PAGA Group Members based on the number of Pay Periods worked in the PAGA Period.

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

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

D. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (Defendants will separately pay employer payroll taxes it owes on the Wage Portion.) The Individual PAGA Group Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Group Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

E. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Group Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

F. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than ______________, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the ______________ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

   You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class portion of the Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Group Payments and are required to give up their right to assert the Released PAGA Claims against Defendants.

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

H. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Members' challenges to their allotted Workweeks/PAGA Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

I. Releases.

   Effective on the date when Defendants fully fund the entire Gross Settlement Amount, Participating Class Members and PAGA Group Members will be deemed to release Superior Air Charter, LLC, JetSuiteX, Inc., Delux Public Charter, LLC, and each of their former and present employees, directors, partners, shareholders, officers, owners, attorneys, agents, insurers, brands, dba's, concepts, predecessors, successors, assigns, parents, subsidiaries, affiliates, administrators, legal representatives, estates, powers-of-attorney, and any individual or entity which could be jointly liable with Defendants and all persons or entities acting by, through, under, or in concert with any of them (the "Released Parties") from the claims described below.

   i. Participating Class Members' Class Member Release.

Participating Class Members, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns, will release the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of any kind arising from the alleged violation of any provision of common law, California law and/or federal law which was alleged or could have been alleged based on the facts or theories alleged in any of Plaintiffs' complaints filed in the Actions or letters to the LWDA, and that arose at any time during the Class Period (the "Settled Claims"), including but not limited to claims for off-the-clock work, unpaid wages, unpaid overtime wages, failure to timely pay all wages earned every pay period, failure to pay all compensation at the regular rate of pay or the correct regular rate of pay, failure to provide meal periods or rest periods, unpaid premium wages for meal periods or rest periods (including with respect to the rate at which premiums were paid), untimely payment of wages, inaccurate wage statements, recordkeeping violations, failure to timely pay all wages owed upon termination, unfair competition (Bus. & Prof. Code § 17200), unlawful deductions from wages, failure to pay wages due to an invalid alternative workweek schedule, failure to reimburse business expenses, and claims under Labor Code sections 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and 2802 and applicable sections of the relevant Order of the Industrial Welfare Commission.

ii. <u>PAGA Group Members' PAGA Release.</u>

All PAGA Group Members are deemed to release the Released Parties, from all claims under PAGA that were alleged, or reasonably could have been alleged, based on the facts or theories alleged in any of Plaintiffs' complaints filed in the Actions or letters to the LWDA, and that arose at any time during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

A. <u>Individual Class Payments.</u> The Administrator will calculate Individual Class Settlement Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member. All Participating Class Members will receive a minimum of a single payment of the Workweek Payment Rate regardless of whether the Class Member actually worked during the Class Period.

B. <u>Individual PAGA Payments.</u> The Administrator will calculate Individual PAGA Group Payments by (a) dividing $7,500 by the total number of PAGA Pay Periods worked by all PAGA Group Members and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual PAGA Group Member. All PAGA Group Members will receive at least a minimum Individual PAGA Amount equivalent to the figure paid to those PAGA Group Members who had one Individual PAGA Pay Period.

C. <u>Workweek/Pay Period Challenges.</u> The number of Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. If you believe these numbers are wrong, you have until ______________ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

If you do nothing, you will automatically receive your Settlement Payment after the Court grants final approval of the Settlement and judgment becomes final. You must, however, notify the Settlement Administrator of any change in your name, mailing address and/or telephone number if the information shown on this Notice is not correct. It is your responsibility to keep the Settlement Administrator informed of any change in your address. Your Settlement Payment will be mailed to the last known address the Settlement Administrator has on file for you.

If you are a Participating Class Member that also qualifies as a PAGA Group Member, you will receive two checks, one for your Individual Class Settlement Payment and one for your Individual PAGA Group Payment.

Settlement Payment checks must be cashed within 180 days from the date of mailing. The front of every check issued for Individual Settlement Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be sent to the California State Controller's Unclaimed Property Fund in your name and will be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, et seq. until such time that you claim your property or as otherwise required by law.

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund https://www.sco.ca.gov/Files-UPD/guide_upd_claiming.pdf for instructions on how to retrieve the funds.

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

If you do not want to participate in the class Settlement, you should exclude yourself from this case (that is, "opt out" of the Settlement). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than ______________, that you wish to opt-out. To opt out and exclude yourself from the class case, you must provide a signed and dated letter to the Settlement Administrator requesting to be excluded. The letter must state in substance that you request exclusion from the class and do not wish to participate in the class settlement.

The opt out request letter must include the name of this action (*McKeehan, et al. v. JetSuiteX, Inc.*, et al., Los Angeles Sup. Court Case No. 22STCV24435), your full name, current address, and last four digits of your social security number, signed by you, and must be postmarked and mailed to the Settlement Administrator at the address listed in section ___on or before [RESPONSE DEADLINE]. You may also return it by faxing to [FAX NUMBER]. Opt out requests postmarked after this date may be disregarded.

As stated above, a Class Member's right to opt out applies only to the class action portion of the Settlement and no opt out right applies to the settlement of PAGA claims in the Lawsuit. This means that Class Members who successfully submit a request for exclusion will not be entitled to a settlement payment for the class portion of this Settlement and will not be bound by the class action release of this Agreement. However, Class Members who submit a valid opt out request will nevertheless be bound by the settlement and release of PAGA claims in the Settlement to the extent they are a member of the PAGA Group and will receive a payment for their individual share of the PAGA Group Payment in settlement of PAGA claims.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 business days before the _______________ Final Approval Hearing, Class Counsel and/or Plaintiffs will file a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and why the amounts requested for Class Counsel's attorneys' fees and costs and the Class Representative Enhancement Award should be granted final approval. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website ________(url)___________ or the Court's website at https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access

A Participating Class Member who disagrees with any aspect of the Agreement or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is** ______________. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection.

Your objection must: (a) contain the case name and number *McKeehan, et al. v. JetSuiteX, Inc.*, et al., Los Angeles Sup. Court Case No. 22STCV24435; (b) contain your full name and signature; (c) contain a written statement of the grounds for the objection and supporting documents, if any; and (d) be sent by mail to the Settlement Administrator, postmarked on or before the Response Deadline.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.
Though it is preferred that Class Members submit Objections by the Response Deadline, no objecting Class Member shall be denied the ability to object at the Final Settlement Approval Hearing (whether personally or through separate counsel).

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on ___________ at _(time)_ in Department 6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making any decisions. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (https://www.lacourt.org/lacc/). Check the Court's website for the most current information.

The Court may reschedule the Final Approval Hearing without further notice to Class Members. You should check the Administrator's website ____________________________ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to ILYM Group, Inc.'s website at ______(url)______. You can also consult the Superior Court website by going to (https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access) and entering the Case Number for the Action, Case No. 22STCV24435. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE JUDGE TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

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