

ELECTRONICALLY FILED

Superior Court of California,
County of Alameda

02/26/2025 at 09:45:27 AM

By: Suzanne Pesko,
Deputy Clerk

Jonathan M. Genish (State Bar No. 259031)
Barbara DuVan-Clarke (State Bar No. 259268)
BDC@blackstonepc.com
Danielle GruppChang (State Bar No. 313881)
dgruppchang@blackstonepc.com
P.J. Van Ert (State Bar No. 234858)
pjvanert@blackstonepc.com
Annabel Blanchard (State Bar No. 258135)
ablanchard@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Blvd., Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

Attorneys for Plaintiff, Alex Javier Nakamoto

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

ALEX JAVIER NAKAMOTO, individually,
and on behalf of Aggrieved Employees pursuant
to the California Private Attorneys General Act,

Plaintiffs,

vs.

SKYDIO, INC.; and DOES 1 through 25,
inclusive,

Defendants.

Case No. 24CV062913

Honorable Sarah Sandford-Smith
Department 17

**DECLARATION OF JONATHAN M.
GENISH IN SUPPORT OF PLAINTIFF'S
MOTION FOR APPROVAL OF PAGA
SETTLEMENT AND AWARD OF
ATTORNEYS' FEES AND COSTS,
SERVICE AWARD, AND SETTLEMENT
ADMINISTRATION COSTS**

Date: February 27, 2025
Time: 3:00 p.m.
Dept.: 17

Complaint Filed: February 6, 2024
Trial Date: None Set

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

I, Jonathan M. Genish, declare and state as follows:

1. I am a shareholder and the founder of Blackstone Law, APC (“PAGA Counsel”), attorneys of record for Plaintiff Alex Javier Nakamoto (“Plaintiff”). I am an attorney admitted to practice in all Courts of the State of California. I submit this declaration in support of Plaintiff’s Motion for Approval of PAGA Settlement and Award of Attorneys’ Fees and Costs, Service Award, and Settlement Administration Costs (“Motion”). I have personal knowledge of the facts contained herein, and, if called to testify I could and would competently do so.

9

10
11
12
13
14
15
16

17
18
19
20

21
22
23
24
25
26

27

1 5. I have considerable experience in handling class and representative action lawsuits
2 throughout my career and have been approved as counsel in a number of cases, including, most
3 recently:

- 4 • *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court,
5 Case No. 22CV403427, approved as class counsel in final settlement of wage and
6 hour class and PAGA action.
- 7 • *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court,
8 Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association
9 with other counsel, in final settlement of wage and hour class and PAGA action.
- 10 • *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior
11 Court, Case No. CIVSB2211140, approved as class counsel in final settlement of
12 wage and hour class and PAGA action.
- 13 • *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No.
14 21CV003541, approved as class counsel in final settlement of wage and hour class
15 and PAGA action.
- 16 • *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior
17 Court, Case No. 34-2022-00313753, approved as counsel in settlement of
18 representative wage and hour action pursuant to PAGA.
- 19 • *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No.
20 CIV2203067, approved as class counsel in final settlement of wage and hour class and
21 PAGA action.
- 22 • *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior
23 Court, Case No. 23STCV26579, approved as counsel in settlement of representative
24 wage and hour action pursuant to PAGA.
- 25 • *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case
26 No. 21STCV34040, approved as counsel in settlement of representative wage and
27 hour action pursuant to PAGA.
- 28 • *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case

No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.

- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other

counsel, in final settlement of wage and hour class and PAGA action.

- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

6. I am currently the managing partner overseeing approximately 500 labor and employment cases, approximately 80% of which include a wage and hour component. The majority of those cases are wage-and-hour putative class actions and/or representative PAGA actions seeking relief on behalf of thousands of California employees. My billable rate is \$1,200 per hour.

///

///

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

8. On December 1, 2023, Plaintiff provided written notice by electronic submission to the Labor and Workforce Development Agency (“LWDA”) and by Certified U.S. Mail to Defendant, pursuant to California Labor Code § 2699.3, providing notice of the specific provisions of the California Labor Code which Plaintiff alleged Defendant violated, including the facts and theories to support the allegations (“PAGA Notice”). A true and correct copy of the PAGA Notice is attached hereto as **Exhibit 1**.

10. On May 6, 2024, Plaintiff and Defendant (collectively, the “Parties”) attended a formal mediation conducted by Monique Ngo-Bonnici, a neutral and respected mediator with extensive experience in complex wage and hour matters. The Parties did not resolve the matter at mediation, however, the Parties successfully reached an agreement in principle two days later on May 8, 2024. The Parties then obtained a fully executed memorandum of understanding on June 6, 2024.

11. During the course of informal discovery in the Action, PAGA Counsel conducted an intensive investigation into the facts of the Action. This included obtaining data, information, and documents relating to the underlying alleged violations, including, but not limited to, Plaintiff's complete personnel file, a sampling of employees' time records and pay data, Defendant's Employee Handbooks, and data points for the group of aggrieved employees, so that Plaintiff could assess the number of alleged potential violations and value of the recoverable penalties, as well as evaluate the strengths and weaknesses of their claims.

1 12. Based on the data, information, and documents received, as well as thorough
2 discussions with Defendant's counsel, PAGA Counsel was able to (i) determine the total number of
3 distinct individuals falling within the definition of "Aggrieved Employees" for the relevant statutory
4 period, (ii) determine the number of affected pay periods at issue among them, and (iii) construct a
5 damages model that calculated the maximum realistic amount of PAGA penalties that could be levied
6 against Defendant within the relevant statutory period. Defendant, however, disputed Plaintiff's
7 claims and disputed both the existence of and extent of liability as alleged by Plaintiff, which allowed
8 PAGA Counsel to further assess the strength of Plaintiff's claims. PAGA Counsel's experience in
9 litigating similar representative wage and hour claims, the degree of investigation that was conducted
10 here, and the amount of data, information, and documents that were obtained, was sufficient to
11 determine the potential value of the PAGA claim, and to evaluate the strength of this claim for
12 purposes of settlement.

13 13. Ultimately, the Parties were able to reach an agreement to resolve the Action in its
14 entirety. The Parties have agreed to enter into a settlement as to the PAGA claims. Attached hereto
15 as **Exhibit 2** is a true and correct copy of the PAGA Settlement Agreement ("Settlement" or
16 "Settlement Agreement") entered into between the Parties. Attached as Exhibit A to the Settlement
17 Agreement is the proposed Cover Letter to be included with the Individual PAGA Payment checks.

18 14. The Parties believe the Settlement is fair, reasonable, and adequate. The Parties
19 understand, acknowledge, and agree that the Settlement Agreement constitutes a compromise of
20 Plaintiff's PAGA claim, and that it is the desire and intention of the Parties to effect a final and
21 complete resolution of the PAGA Released Claims.

22 15. Defendant denies all of the claims in the Action, and does not waive, but rather
23 expressly reserves, all rights to challenge all such claims and allegations upon all legal, procedural,
24 and factual grounds should the Settlement not be approved by the Court. The Settlement Agreement
25 reflects a compromise reached to end litigation in the Action. Following significant investigation and
26 extensive settlement negotiations, Plaintiff now seeks approval of the proposed Settlement, which
27 will resolve all representative claims alleged in the Operative Complaint.

28 ///

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

2
3
4
5

6

7
8
9
0
1
2

3
4
5
6
7
8
9
0
1
2

3
4
5
6
7
8

1 Employees on a *pro-rata* basis based on the number of pay periods they were employed by Defendant
2 during the PAGA Period (“Pay Periods”).

3 20. No later than seven (7) calendar days after the Court’s order granting approval of the
4 Settlement, Defendant shall provide the Settlement Administrator a complete list of all Aggrieved
5 Employees through the PAGA Period that Defendant will in good faith compile from its records,
6 containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last
7 known address; (iii) last known telephone number; (iv) Social Security number; (v) start and end
8 dates of employment; and (vi) number of Pay Periods, (collectively, “PAGA List”) in the form of a
9 Microsoft Excel spreadsheet, or a comparable format.

10 21. Within seven (7) calendar days of the Court’s order granting approval of the
11 Settlement, Defendant will fund the Gross Settlement Amount by transmitting the funds to the
12 Administrator.

13 22. Within seven (7) calendar days after the Administrator receives the PAGA List and
14 Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual
15 PAGA Payments, the LWDA Payment, the Settlement Administration Costs, the Service Award, and
16 the Attorneys’ Fees and Costs. Disbursement of the Attorneys’ Fees and Costs shall not precede
17 disbursement of Individual PAGA Payments.

18 23. Prior to mailing the Individual PAGA Payment checks, the Administrator will update
19 the Aggrieved Employees’ mailing addresses using the National Change of Address Database.
20 Additionally, for all Individual PAGA Payment checks that are returned as undeliverable without a
21 USPS forwarding address, the Administrator will conduct an investigation and search for current
22 Aggrieved Employee mailing addresses using all reasonably available sources, methods, and means
23 including, but not limited to, the National Change of Address database, skip traces, and direct
24 contact by the Administrator with the Aggrieved Employees. Upon receiving a returned check, so
25 long as it is received within 30 days of the initial mailing, the Administrator will re-mail the check
26 to the USPS forwarding address provided or to an address ascertained through the Aggrieved
27 Employee address search. The Administrator will promptly send a replacement check to any
28 Aggrieved Employee whose original check was lost or misplaced, if requested by the Aggrieved

1 Employee prior to the void date.

2 24. Individual PAGA Payment checks that are issued to Aggrieved Employees will be
3 valid and negotiable for up to one hundred and eighty (180) calendar days after the checks are
4 initially mailed to the Aggrieved Employees, and thereafter, will be canceled. Any funds associated
5 with such canceled checks will be distributed to the State of California State Controller's Office
6 Unclaimed Property Division in the name of the Aggrieved Employee whose check was cancelled.

7 25. If the actual number of Pay Periods during the PAGA Period is more than ten percent
8 (10%) above 2,542, then the Gross Settlement Amount will be increased by the percentage that the
9 actual number exceeds the 10% buffer. For example, if the total number of Pay Periods during the
10 PAGA Period is 11% more than 2,542 (i.e. 2,821.62) then the Gross Settlement Amount will
11 increase 1%.

12 **The Settlement is Fair and Reasonable and Took Into Consideration the Strengths and**
13 **Weaknesses of Plaintiff's Claims and the Defenses thereto, as well as the Risks and Benefits**
14 **of the Settlement**

15 26. Here, the Settlement is presumptively fair because: (1) it occurred after counsel for
16 the Parties engaged in significant investigation to evaluate the strength and potential value of the
17 PAGA claim, and the risks of litigating this claim through trial; and (2) it was negotiated at great
18 length and effort by counsel with significant experience in similar complex labor and employment
19 matters.

20 27. This case and settlement address important employee protections embodied in the
21 California Labor Code. Plaintiff's core allegations are that Defendant systematically violated the
22 California Labor Code by, *inter alia*, failing to properly pay wages for all hours worked, failure to
23 properly pay overtime and to pay overtime at the correct rate, failing to provide compliant meal and
24 rest periods, failing to timely pay wages during employment and upon termination, failing to provide
25 accurate wage statements, and failing to reimburse necessary business expenses.

26 ///

27 ///

28 ///

1 28. Defendant's maximum theoretical exposure, without stacking penalties, totals
2 approximately \$254,200.00 computed by multiplying 2542 PAGA Pay Periods by \$100 each.¹

3 29. Defendant maintained several defenses to Plaintiff's theories of liability, which, if
4 successfully argued and proven, had the potential to eliminate or substantially reduce recovery.
5 Throughout this litigation, Defendant maintained, and continues to maintain, that it had, and
6 continues to have, compliant employment policies and practices throughout the time period at issue.
7 Defendant denies that it ever violated any provision of the California Labor Code, including, but not
8 limited to, those sections for which Plaintiff seeks penalties under PAGA. Defendant further denied,
9 and continues to deny, that the lawsuit is appropriate for representative treatment for any purpose
10 other than settlement. Defendant also challenged Plaintiff's standing as an aggrieved employee and
11 denied that any of Defendant's other employees whom Plaintiff seeks to represent are aggrieved.
12 Defendant also argued that an important feature of PAGA is that the Court retains discretion to
13 lower the penalties if, based on the facts and circumstances of the particular case, to do otherwise
14 would result in an award that is "unjust, arbitrary and oppressive, or confiscatory."

15 30. Even if violations of the California Labor Code occurred, which Defendant denies,
16 Defendant contended that said violations would only be considered "initial violations" and thus
17 heightened "subsequent violation" penalties were not warranted.

18 31. Defendant also contended that, with respect to PAGA claims, the Court was unlikely
19 to assess cumulative penalties for the maximum number of possible, separate California Labor Code
20 violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory, especially where
21 certain conduct may be regulated by multiple provisions of the California Labor Code that are
22 interrelated and work in tandem. As such, Defendant contended that cumulative penalties and
23 heightened penalties would be unjust, arbitrary, oppressive, and confiscatory.

24 32. While Plaintiff maintains that his PAGA claim has merit, in reaching the Settlement,
25 Plaintiff and his counsel took into account the strengths and weaknesses of each side's position,

26 _____
27 ¹ While the California Labor Code provides for \$100 for the first violation and up to \$250 for each subsequent violation
28 (depending on the underlying violation), Plaintiff used this simple computation of the total number of aggregate pay
periods times a \$100 penalty for analysis purposes only to account for the argument that the imposition of PAGA
penalties is discretionary and courts have the power to reduce or assess penalties based on the specifics of each case.

1 Defendant's arguments regarding the enforceability of its arbitration agreement, and the uncertainty
2 of how the case might have concluded, as litigation continued, at trial, and/or upon appeal.
3 Notwithstanding the existence of these issues, the Settlement achieves a sizeable benefit obtained.

4 33. As set forth in the Motion, the California Labor Code does not set forth the criteria
5 by which a PAGA settlement is to be evaluated; it is presumed that a reviewing court may take into
6 consideration some of the factors that courts use when reviewing a class action settlement.² "[A]
7 PAGA claim asserted on a non-class representative basis...is not considered a class action but a law
8 enforcement action, and therefore does not have to meet the requirements of [a class action]." *Casida v. Sears Holdings Corp.*, 2012 U.S. Dist. LEXIS 9302 at *8 (E.D. Cal. Jan. 25, 2012).
9 However, a discussion of the strengths and weaknesses of each claim, along with an estimate of the
10 total potential recovery is as follows:

11
12 *i. Unpaid Wages*

13 34. Plaintiff alleged that Defendant failed to compensate Plaintiff and the Aggrieved
14 Employees at their applicable minimum, regular, and overtime rates for their work, and failed to
15 compensate them for all hours that they worked. Plaintiff further alleged that Defendant required
16 Plaintiff and the other Aggrieved Employees to perform work off-the-clock by requiring them to
17 complete standard job duties such as reviewing and responding to work related phone calls,
18 finishing tasks, as well as other standard job duties, after clocking out for meal periods, and/or after
19 clocking out at the ends of shifts. Plaintiff also alleged that Plaintiff and other similarly situated
20 Aggrieved Employees were required to perform work activities off-the-clock to complete all job
21 duties, including traveling to locations to obtain parts and tools in support of Defendant's
22 production needs. Additionally, Plaintiff alleged that Defendant failed to pay overtime
23 compensation because the uncompensated work described herein was often performed when
24 Plaintiff and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty
25 (40) hours in week, and overtime compensation was not provided.

26 35. Defendant denied these claims, arguing that its overtime policies and practices

27
28 ² As this is not a class action, the *Kullar* factors pertaining to the risk of maintaining class action status through trial and the reaction of class members to the proposed settlement are inapplicable.

1 comply with California law. Defendant further contended that its non-exempt employees were
2 responsible for accurately recording their own hours and that it was not aware that any work had
3 been performed off-the-clock. Defendant also argued that its overtime calculations lawfully
4 included all forms of compensation, including bonuses and commissions.

5 *ii. Meal Periods*

6 36. Plaintiff asserted that Defendant failed to provide employees with lawful meal
7 periods. For example, Plaintiff reported that his meal breaks were often short, late, interrupted, or
8 were never provided at all. Additionally, Plaintiff alleged that throughout the relevant time period
9 Plaintiff's and other Aggrieved Employees' meal periods were either not provided, or were cut
10 short due to ongoing job duties. Moreover, Plaintiff and other Aggrieved Employees were often
11 required to remain on-site for meal periods, and were not provided duty-free, off-site meal breaks.

12 37. Defendant argued that the Aggrieved Employees were permitted, if not encouraged,
13 to take their meal breaks. Defendant also argued that its written meal break policy was lawful and
14 employees' time records reflected that they took lawful meal periods, and that they received
15 premiums when a meal period was non-compliant. Moreover, litigating the meal period claims
16 would be inherently difficult as it would need to be proven that compliant meal periods were not
17 provided, but time records would not indicate whether or not a meal period was interrupted.

18 *iii. Rest Periods*

19 38. Plaintiff argued that Defendant failed to schedule, permit, or authorize compliant
20 rest periods. Plaintiff alleged that Plaintiff and other Aggrieved Employees were expected to work
21 through any rest period, and were unable to take their rest breaks because of the need to respond to
22 time sensitive tasks and to meet production goals. Plaintiff reported that if he was able to take a
23 rest break, he was frequently interrupted by supervisors and/or coworkers with work-related
24 questions. The sampling of data provided reflected no proper payment of rest period premiums.

25 39. In response, Defendant pointed to their written rest break policies as being compliant
26 with California law, and argued that without the requirement of recording rest breaks, it would be
27 impossible to substantiate the rate of violation. Here, Plaintiff faced the challenge of having to
28 prove each alleged rest period violation with only testimony from Aggrieved Employees.

1 *iv. Derivative Claims*

2 40. As with all derivative claims, success depends on the success of the underlying
3 claims. Here, Plaintiff's claims for inaccurate wage statements, conversion, and failure to pay all
4 wages due during employment and upon termination, would only succeed if the underlying claims
5 for failure to pay wages for off-the-clock work, failure to pay overtime, and failure to pay premiums
6 for all meal and rest periods not lawfully provided were successful. Therefore, these claims were
7 subject to the same risks of failure as discussed above.

8 *v. Total PAGA Penalties*

9 41. PAGA Counsel considered information obtained through investigations and obtained
10 from Plaintiff and Aggrieved Employees, as well as data provided by Defendant, and created
11 valuation models. Based thereon and assuming that the Court would be satisfied that the PAGA
12 claims were susceptible to being efficiently tried and adjudicated on a representative basis, and that
13 it could be shown that civil penalties under the California Labor Code are owed of one penalty per
14 pay period during the relevant time period, Defendant's estimated total exposure was \$254,200.00.
15 However, PAGA Counsel considered the defenses asserted, information and evidence obtained, and
16 circumstances in these cases, which posed risks to representative adjudication and monetary
17 recovery. PAGA Counsel also considered the fact that, by law, the Court has the discretion to reduce
18 and/or assess lower penalties, that it was not clear that heightened penalties would apply, and that
19 stacking and/or cumulative penalties may not be allowed. Accordingly, a discount of 35% was
20 applied to account for the risks associated with proving the underlying violations, the cost and delay
21 in recovering the alleged potential penalties, and to account for the risks associated with succeeding
22 on the merits and establishing liability (bringing the value of this claim closer to \$165,230.00). In
23 light thereof, the Gross Settlement Amount of \$200,000.00 is a significant settlement.

24 **The Amount Offered in Settlement**

25 42. The PAGA Penalties are currently estimated to be \$104,332.34. After all deductions
26 from the Gross Settlement Amount are made for the PAGA Counsel's Fees and Costs, Service
27 Award, and Settlement Administration Costs, \$78,249.26 (i.e. 75% of the PAGA Penalties) will go
28 to the LWDA, and \$26,083.08 (i.e. 25% of the PAGA Penalties) will go to the Aggrieved

1 Employees. Note that the Action was filed on February 6, 2024, and, at that time, the California
2 Labor Code § 2699(i) (2004) specified that “civil penalties recovered by aggrieved employees shall
3 be distributed as follows: 75 percent to the Labor and Workforce Development Agency . . . and 25
4 percent to the aggrieved employees.” There is no reason to doubt the fairness of the proposed plan
5 of allocation of the PAGA Penalties as it fully complies with California Labor Code section 2699(i),
6 as it was applied at the time of the initiation of the Action.

7 43. The Settlement is a compromise of highly disputed claims. Plaintiff and Plaintiff’s
8 counsel recognize the expense and length of continued proceedings necessary to litigate the matter
9 through trial and any possible appeals. Plaintiff and Plaintiff’s counsel have also taken into account
10 the uncertainty and risk of the outcome of further litigation, the difficulties and delays inherent in
11 such litigation, and Defendant’s defenses. Plaintiff and Plaintiff’s counsel are also aware of the
12 burdens of proof necessary to establish liability, both generally and in response to Defendant’s
13 defenses thereto, and the difficulties in establishing Defendant’s liability for, and the right to
14 recover, penalties on behalf of Plaintiff, the State of California, and other Aggrieved Employees.
15 Plaintiff and Plaintiff’s counsel have also taken into account Defendant’s agreement to enter into a
16 settlement that confers significant relief upon the Aggrieved Employees and the State of California.
17 Considering all of the facts in this case, Plaintiff and Plaintiff’s counsel have determined that the
18 Settlement represents a fair, adequate, and reasonable resolution of the PAGA claim, and that it is
19 in the best interests of the Aggrieved Employees and the State of California.

20 44. The result achieved in this case is well within the range of what is considered an
21 acceptable settlement under the circumstances, especially when compared to the settlement of
22 PAGA claims in other cases.

23 **The Settlement was Negotiated by Experienced Counsel**

24 45. PAGA Counsel is experienced in complex representative and class action wage-and-
25 hour litigation. In the view of PAGA Counsel, the benefits conferred by the Settlement are eminently
26 fair and reasonable, and in the best interests of the State of California and the Aggrieved Employees
27 in light of the risk, delay, and uncertainty of continued litigation and the substantial monetary
28 benefits provided for by the Settlement.

1 46. Here, the extent of informal discovery conducted was sufficient to enable PAGA
2 Counsel to evaluate the strength and value of the PAGA claims for purposes of settlement. The
3 settlement negotiations were conducted by highly capable and experienced counsel. PAGA Counsel
4 are respected members of the bar with strong records of vigorous and effective advocacy, and are
5 experienced in handling complex wage and hour class action and representative action litigation.
6 Accordingly, PAGA Counsel had sufficient information and experience to act intelligently in
7 negotiating the Settlement.

8 **The Requested PAGA Counsel's Fees are Fair and Reasonable**

9 47. PAGA Counsel's application for attorneys' fees in light of the facts and
10 circumstances surrounding the case is well-within the range of reasonableness. PAGA Counsel has
11 vigorously litigated this case since it was commenced, with the very real possibility of an
12 unsuccessful outcome and no fee recovery of any kind.

13 48. In the present case, PAGA Counsel has borne all of the risks and costs of litigation
14 and will not receive any compensation until recovery is obtained. PAGA Counsel is experienced in
15 complex wage-and-hour litigation and used that experience to obtain a favorable result for Plaintiff,
16 the Aggrieved Employees, and the State of California. Considering the amount of fees requested,
17 work performed, risks incurred, and experience of PAGA Counsel in handling similar matters,
18 Plaintiff maintains that the requested attorneys' fees of thirty-five percent (35%) of the Gross
19 Settlement Amount (i.e., \$70,000.00) are reasonable and should be awarded.

20 49. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated
21 into tangible monetary benefits for the Aggrieved Employees as follows: (1) Aggrieved Employees
22 will obtain monetary recovery over a relatively short period of time, as opposed to waiting additional
23 years for the same, or potentially worse, result; (2) a guaranteed result that compares favorably with
24 other representative PAGA actions of this type, given the strengths and weaknesses of the case; and
25 (3) significant savings in PAGA Counsel's fees and/or costs that would have only increased had the
26 case progressed through trial and/or appeals. The attorneys who worked on this case are all
27 experienced in litigating wage and hour matters as follows:

28 ///

1 a. Barbara DuVan-Clarke is a 16-year litigator who joined Blackstone in September
2 2022 as a Senior Trial Attorney and Team Lead, building on her entire career of litigating single-
3 plaintiff employment, catastrophic injury, and class/PAGA matters with well-known plaintiff-side
4 wage and hour law firms in Los Angeles. She earned her Bachelor of Arts degree from the University
5 of California at Los Angeles in 2003, and then obtained her Juris Doctorate from Case Western
6 Reserve University in Cleveland, Ohio in 2007. Her billable rate is \$1,050 per hour, which is well
7 within the prevailing rate for attorneys with her experience in this area of practice in Southern
8 California. She has been approved at that rate most recently in *Sanchez v Greenworld* in May 2024.
9 I am personally familiar with Blackstone’s roster of hourly clients, and Ms. DuVan-Clarke currently
10 has hourly clients at her \$1,050 rate. Ms. DuVan-Clarke also maintains leadership roles in the
11 California Employment Lawyers’ Association (“CELA”) and other organizations.

12 b. Alexander K. Spellman is a senior associate attorney who worked on this matter
13 when he worked at Blackstone. He graduated from University of California at Los Angeles in 2001,
14 with a Bachelor of Arts degree in American Literature and Culture. He then obtained his Juris
15 Doctorate from Loyola Law School, graduating in 2006, and was admitted to the California State
16 Bar in July 2007. He practiced exclusively plaintiff’s side labor and employment law from 2016
17 through 2024. His hourly rate of \$950 is reasonable based on his education and experience and is in
18 line with the market rate.

19 c. P.J. Van Ert is an accomplished attorney who joined Blackstone in 2023, after having
20 worked at an employment litigation firm for 2 years, and prior to that, having served as a District
21 Attorney for over 13 years. In that role, she was a prolific trial attorney, and it is my understanding
22 that she tried over 75 jury trials to verdict. She graduated from University of California at Davis in
23 2000, with a Bachelor of Arts degree, and from University of California at Los Angeles School of
24 Law with a Juris Doctorate in 2004. She was admitted to the State Bar of California in December
25 2004. Her hourly rate of \$750 is reasonable based on her education and experience and is in line
26 with the market rate.

27 d. Annabel Blanchard is an experienced attorney who joined Blackstone in 2024, from
28 a highly reputable plaintiff’s side employment law firm, and prior to that, provided legal advocacy

1 for families and adults with special needs. She graduated from University of California at Berkeley
2 with a Bachelor of Arts degree in 2001, and from Southwestern University School of Law with a
3 Juris Doctorate in 2008. She was admitted to the State Bar of California in December 2008. Her
4 hourly rate of \$750 is reasonable based on her education and experience and is in line with the
5 market rate.

6 50. PAGA Counsel has spent approximately 137.3 total hours litigating this matter. To
7 date, our total fees incurred amount to \$128,805.00. Each attorney who worked on this matter
8 engaged in a multitude of tasks, including communicating with the clients and defense counsel;
9 investigating the facts and researching applicable legal issues; drafting pleadings, informal
10 discovery requests, and joint statements; reviewing documents; preparing for and attending
11 mediation; and facilitating the settlement by drafting the settlement documents and motion papers
12 for obtaining settlement approval. A summary of PAGA Counsel's lodestar for each attorney who
13 worked on this case is as follows:

<u>Attorney</u>	<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jonathan M. Genish	Managing Partner	15.2	\$1,200	\$18,240.00
Barbara DuVan-Clarke	Senior Trial Attorney/Team Lead	41.5	\$1,050	\$43,575.00
Alexander K. Spellman	Senior Associate	32.7	\$950	\$31,065.00
P.J. Van Ert	Associate	26.1	\$750	\$19,575.00
Annabel Blanchard	Associate	21.8	\$750	\$16,350.00

19 51. We expect to spend an additional 10 hours (\$7,750) in connection with finalizing
20 the Motion, preparing for the approval hearing, and managing the Settlement through its
21 conclusion, including anticipated communications with defense counsel, the Administrator, and our
22 clients. Also note, the above chart does not include hours worked by legal support and
23 administrative staff assigned to this matter. Based on the work performed and anticipated to be
24 performed by the attorneys assigned to this case, the total amount of Blackstone's fees through
25 closure of this case are estimated to be approximately \$136,555.00. However, Blackstone is only
26 requesting fees of \$70,000.00 (35% of the Gross Settlement Amount).

27 ///

1 **The Requested PAGA Counsel's Costs are Fair and Reasonable**

2 52. The Settlement provides for reimbursement of litigation costs and expenses of up to
3 \$20,000.00. PAGA Counsel only seeks reimbursement of a total of \$15,667.66 in litigation costs
4 and expenses. A true and correct itemized list of my firm's litigation costs and expenses is attached
5 hereto as **Exhibit 3**. This amount was reasonable and necessary in the prosecution of this
6 matter, and is less than the maximum amount allocated under the Settlement.

7 **The Administration Costs are Fair and Reasonable**

8 53. As set forth in the Settlement Agreement, the Parties have agreed to retain, subject
9 to approval by the Court, Apex Class Actions LLC ("Apex" or "Administrator") to handle the
10 administration of the Settlement. The fees and expenses of the Administrator are estimated not to
11 exceed \$5,000.00. These costs include, but are not limited to, expenses for preparing, printing, and
12 mailing the Cover Letter and Individual PAGA Payment checks to the Aggrieved Employees, re-
13 mailing the returned Individual PAGA Payment checks to any new addresses obtained, and handling
14 inquiries from Aggrieved Employees regarding the Settlement, among other things. Accordingly,
15 the Court should grant approval of the Cost of Administration in the amount of up to \$5,000.00 to
16 Apex, a necessary third-party for handling the settlement process.

17 **The Service Award is Fair and Reasonable**

18 54. As part of the Settlement Agreement, Plaintiff respectfully requests a reasonable
19 Service Award of Five Thousand Dollars and Zero Cents (\$5,000.00). The Service Award is
20 eminently reasonable given the time and effort Plaintiff spent on the Action, and the benefit to the
21 other Aggrieved Employees and the State of California as a result of Plaintiff's actions. By initiating
22 and pursuing the Action, Plaintiff stepped into the shoes of the State of California and undertook
23 the responsibilities of serving in a representative capacity. Plaintiff was available whenever
24 Plaintiff's counsel needed him and actively tried to obtain information that would benefit the
25 prosecution of the Action. Accordingly, Plaintiff respectfully submits that it is appropriate and just
26 for Plaintiff to receive a Service Award in addition to the Individual PAGA Payment he will receive
27 as an Aggrieved Employee, for his services on behalf of the State of California and the other
28 Aggrieved Employees.

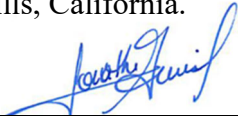
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Pending Actions

55. Neither I nor Plaintiff are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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

Executed on February 3, 2025, at Beverly Hills, California.



Jonathan M. Genish

EXHIBIT 1



8383 Wilshire Blvd., Suite 745
Beverly Hills, CA 90211
Phone: (310) 622-4278
Fax: (855) 786-6356

P.J. Van Ert, Esq.
pjvanert@blackstonepc.com

December 1, 2023

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Alex Javier Nakamoto v. Skydio, Inc.*

Dear Representative:

This office represents Alex Javier Nakamoto (“Claimant”) with respect to his claims under the California Labor Code against Skydio, Inc. (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Claimant from approximately April 2017 to May 2023 as a non-exempt, hourly-paid employee. During Claimant's employment with Employer, Claimant was employed as an Assembly Technician at Employers location at 114 Hazel Avenue, Redwood City, California 94061. Claimant performed various duties for Employer including, among other things, assembling and testing drones, troubleshooting drones, assisting the engineers with prototypes for new products, managing maintenance of computers and other equipment, assembling cables and hardware to support Employer's computer systems. Employer manufactures drones in San Mateo, California and surrounding areas.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of themselves and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant's notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California's wage and hour laws during Claimant's employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders ("IWC Wage Orders"). The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Orders require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Orders further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included: (1) running errands and assisting other employees and engineers with work duties during meal and rest periods, (2) cleaning and clearing trash and debris from drone assembly after clocking out, (3) completing welding on drones after clocking out, and (3) attending and completing online courses for safety, equipment maintenance, and harassment in between shifts while not clocked in, amongst other things. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law. In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimant and Aggrieved Employees.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimant and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employers failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers have failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages,

straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Orders and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally-compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day, but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over

employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes rest for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take legally-compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and

other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers have failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (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 only the last four digits of his or her social security number

or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimant and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The IWC Wage Orders require employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to the usage of personal cellphones for work related purposes and the use of personal vehicles for work related purposes without proper mileage reimbursement.

Accordingly, Employers violated the IWC Orders and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

9. EMPLOYER'S OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 ("*Huff*"), as an Aggrieved Employee, Claimant has standing, and intends, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Claimant, as an "aggrieved" employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

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

BLACKSTONE LAW



P.J. Van Ert, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

Skydio, Inc
3000 Clearview Way, Building E
San Mateo, CA 94402

Skydio, Inc
Attn: CSC – Lawyers Incorporating Service
Agent for Service of Process
2710 Gateway Oaks Drive
Sacramento, CA 95833

Skydio, Inc
Attn: Becky DeGeorge
Agent for Service of Process
2710 Gateway Oaks Drive
Sacramento, CA 95833

EXHIBIT 2

**PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND
RELEASE**

This Private Attorneys General Act Settlement Agreement and Release (Settlement Agreement” or “Settlement”) is entered into by and between Alex Javier Nakamoto (“Plaintiff”), individually and as a representative of the State of California and the Aggrieved Employees (as defined in Section 3(a)(5) below) and Skydio, Inc. (“Defendant”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

1. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) Plaintiff is a former employee of Defendant. Plaintiff was employed by Defendant from approximately January 2020 to March 2023;

(b) On December 1, 2023, Blackstone Law, APC (“Plaintiff’s Counsel”), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency (“LWDA”) and Defendant to notify the LWDA and Defendant pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq.* (“PAGA”), of Plaintiff’s intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-997385-23 (“PAGA Notice”);

(c) On February 6, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* (“Operative Complaint”), commencing a representative action under PAGA against Defendant, entitled *Alex Javier Nakamoto v. Skydio, Inc.*, Alameda County Superior Court Case No. 24CV062913 (“Action”). The Operative Complaint asserts a single cause of action for civil penalties under PAGA for violations of multiple provisions of the California Labor Code and the applicable Industrial Welfare Commission Wage Orders;

(d) On May 6, 2024, the Parties mediated the Action with mediator Monique Ngo-Bonnici, and, with the aid of the mediator’s evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

(e) There has been no determination on the merits of the Action or the PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released Claims (as defined in Section 6(a) below).

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Consideration.**

(a) In consideration for Plaintiff signing this Settlement Agreement and complying with its terms, Defendant shall pay the maximum gross sum of Two Hundred Thousand Dollars (\$200,000) (the “Gross Settlement Amount”) to resolve the Action and Released Claims (as defined in Section 6(a) below), which will be paid as follows:

(1) Attorneys’ fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount, which is Seventy Thousand Dollars (\$70,000), and reimbursement of litigation costs and expenses in the amount of up to Twenty Thousand Dollars (\$20,000) (collectively, “Attorneys’ Fees and Costs”) to Plaintiff’s Counsel, which Defendant will not contest.

(2) A service award of up to the amount of Five Thousand Dollars (\$5,000) (“Service Award”) to Plaintiff, which Defendant will not contest.

(3) Costs and expenses of administration of the Settlement up to the amount of Five Thousand Dollars (\$5,000) (“Settlement Administration Costs”) to Apex Class Actions, LLC (“Settlement Administrator”).

(4) The amounts stated in Sections 3(a)(1) – 3(a)(3) above, once approved by the Court, shall be paid from the Gross Settlement Amount. The balance remaining after these deductions is referred to as the “Net Settlement Amount.”

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA (“LWDA Payment”); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid or non-exempt employees of Defendant who were employed by Defendant within the State of California at any time during the PAGA Period (“Aggrieved Employees”). The period December 1, 2022, to June 30, 2024, is the “PAGA Period.” The twenty-five percent (25%) portion of the Net Settlement Amount payable to the Aggrieved Employees is referred to as the “Employees’ Portion.”

(6) The Aggrieved Employees are estimated to consist of approximately 125 individuals who worked approximately 2,542 pay periods during the period December 1, 2022, to May 6, 2024. If the actual number of Pay Periods (as defined in Section 5(b) below) during the PAGA Period is more than ten percent (10%) above 2,542, the Gross Settlement Amount will be increased by the percentage that the actual number exceeds the 10% buffer.

(b) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys’ Fees and Costs, Service Award, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

4. **Approval and Implementation of the PAGA Settlement.**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Action to implement the Settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Andrew L. Alexis and Wendy Shiff of Alexis Law Firm ("Defendant's Counsel") for review. Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

5. **Payment of the Gross Settlement Amount / Notice to Recipients.**

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendant by transmitting the Gross Settlement Amount to a qualified settlement account established by the Settlement Administrator for administration of this Settlement, within twenty-one (21) calendar days of the Court's order granting approval of this Settlement Agreement. If the date by which payment by Defendant is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next day which is not a Saturday, Sunday, or legal holiday in the State of California.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of the 25% of the Net Settlement Amount (i.e., the Employees' Portion) based upon the number of pay periods each such Aggrieved Employee worked during the PAGA Period ("Pay Periods"), based on Defendant's payroll records. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual PAGA Payment"), the Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of Pay Periods the Aggrieved Employee worked by the

total aggregate number of Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this fraction by the Employees' Portion to arrive at each Aggrieved Employee's Individual PAGA Payment.

(1) One hundred percent (100%) of all Individual PAGA Payments are to be considered penalties and the Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual PAGA Payments will be reported on an IRS Form 1099, as required.

(c) The Settlement Administrator shall distribute each Individual PAGA Payment by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the form attached hereto as "**Exhibit A**," in the following manner:

(1) No later than seven (7) calendar days after the Court's order granting approval of the Settlement, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; (v) start and end dates of employment; and (vi) number of Pay Periods.

(2) The Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

(3) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall mail the agreed-upon Cover Letter and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by First-Class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator shall promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with such canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s). The Settlement Administrator shall not issue a Form 1099 to any Aggrieved Employee whose check is returned and then submitted to the Unclaimed Property Division of State Controller's Office.

(5) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(6) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Service Award to Plaintiff.

(7) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel.

(8) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Settlement Administration Costs to itself.

6. Release of Claims by Plaintiff and the State of California with Respect to the Aggrieved Employees.

(a) Upon the full funding of the Gross Settlement Amount, Plaintiff, the Aggrieved Employees, and the State of California with respect to all Aggrieved Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns (collectively, the "Released Parties") from any and all claims arising from any of the factual allegations in the Operative Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq.*, for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant itemized wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders ("Released Claims").

(b) Separate Non-PAGA Settlement Agreement. The Parties have separately entered into a confidential settlement agreement regarding the non-PAGA claims by Plaintiff against Defendant. Nothing in this Agreement shall be construed to limit the Parties' rights under the separate agreement. In order to effectuate the terms of the Settlement between the Parties, Plaintiff has agreed to: (i) settlement and release of the individual claims that Plaintiff asserted in the Class Action Complaint, separately filed by Plaintiff in the Alameda County Superior Court (Case No. 24CV059883) (the "Class Action Case"), (ii) execution of a general release and waiver of Civil Code Section 1542 in connection with the settlement of the Class Action Case, (iii) dismissal *without prejudice* of the claims asserted on behalf of the putative class in the Class Action Case, and (iv) dismissal *with prejudice* of Plaintiff's individual claims in the Class Action Case are all material conditions for Defendant to enter into this Settlement Agreement to settle the PAGA claims asserted by Plaintiff on behalf of the Aggrieved Employees and the LWDA. This Settlement Agreement shall be null and void if the Plaintiff does not comply with the requirements set forth in this Section 6(b) with respect to the Class Action Case.

7. **Governing Law and Interpretation.**

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and said provision cannot be modified to be enforceable, that provision shall immediately become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

8. **Amendment.** This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, subject to approval by the Court.

9. **Miscellaneous.**

(a) The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(c) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(d) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Monique Ngo-Bonnici. In the event of vagueness, ambiguity, or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) If Plaintiff or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. This Settlement Agreement remains in full force and effect anyway.

HAVING ELECTED TO EXCECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

PLAINTIFF ALEX J. NAKAMOTO



Alex Javier Nakamoto

Dated: 10/11/2024

DEFENDANT SKYDIO, INC.

DocuSigned by:



58868C9ECC2D41C...

Anna Birch

Full Name:

VP, People Operations

Title: _____

On behalf of Skydio, Inc.

Dated: 9/30/2024

Exhibit A

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>><<State>><<Zip>>

Re: Settlement Payment from *Nakamoto v. Skydio, Inc.*, Alameda County
Superior Court Case No. 24CV062913

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual PAGA Payment”). This check is your payment from the settlement in the lawsuit entitled *Alex Javier Nakamoto v. Skydio, Inc.*, Alameda County Superior Court Case No. 24CV062913 (“Action”).

The lawsuit was filed on February 6, 2024 by Alex Javier Nakamoto (“Plaintiff”) against his former employer Skydio, Inc. (“Defendant”), on behalf of the State of California, with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to initiating the lawsuit, on February 6, 2024, Plaintiff submitted a letter to the California Labor and Workforce Development Agency (“LWDA”), pursuant to PAGA, to provide notice of his intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-997385-23 (“PAGA Notice”).

Defendant denies all of Plaintiff’s allegations and denies any wrongdoing of any kind associated with Plaintiff’s allegations and the Court entered no orders in this case with respect to the merits of the Action. A settlement was reached between Plaintiff and Defendant prior to a trial of the Action.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt employees of Defendant who were employed by Defendant within the State of California at any time during the PAGA Period (“Aggrieved Employees”). The period December 1, 2022, to June 30, 2024 is the “PAGA Period.”

You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of full funding of the Gross Settlement Amount>>, the Released Parties were fully, finally, and forever released, settled, compromised, relinquished, and discharged from the Released Claims.

“Released Parties” means Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

“Released Claims” means any and all claims arising from any of the factual allegations in the Operative

Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq.*, for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders.

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your Individual PAGA Payment.

Do not call or write the Court, Office of the Clerk of the Court, Plaintiff or Plaintiff's counsel, or Defendant or Defendant's counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Settlement Administrator] at [toll-free phone number].

EXHIBIT 3

Matter: Nakamoto v. Skydio, Inc.

Date	Type of Expense	Description of Expense	Amount
8/31/23	Mailing	Mailing Cost - Welcome PKG	\$1.59
7/9/2023	Mailing	Mailing Cost - Skydio, Inc.	\$8.53
7/9/2023	Mailing	Mailing Cost - Skydio, Inc. 2	\$8.53
7/9/2023	Mailing	Mailing Cost - Skydio, Inc. 3	\$8.53
1/12/2023	Mailing	Mailing Cost - Skydio Inc.	\$8.53
1/12/2023	Mailing	Mailing Cost - Skydio Inc. (Agent Degeorge)	\$8.53
1/12/2023	Mailing	Mailing Cost - Skydio Inc. (Agent)	\$8.53
12/1/2024	Service	Steno - Complaint Packet	\$1,997.20
7/2/2024	Service	Steno - Complaint Packet	\$647.20
3/22/24	Filing	Steno - Stipulation	\$59.95
3/29/24	Filing	Steno - Joint Stip	\$59.95
9/4/2024	Other	Payment to Signature Resolution	\$7,950.00
5/6/2024	Other	Check to Berger Consulting Group, LLC	\$4,800.00
5/6/2024	Mailing	Mailing Cost - Berger Consulting Group, LLC	\$0.64
10/15/24	Filing	Steno - Joint Statement	\$99.95
Total:			\$15,667.66