

Justin Lo (SBN 280102)
WORK LAWYERS, PC
22939 Hawthorne Blvd., #202
Torrance, CA 90505
Phone: (866) 496- 7552
Fax: (424) 355-8535
Justin@WorkLawyers.com

Attorneys for Plaintiff GHUFRAN KHAN, as representative of the State of California and the Labor and Workforce Development Agency, and on behalf of himself and other current and former employees.

REBECCA ARAGON, Bar No. 134496
RAragon@littler.com
LITTLER MENDELSON, P.C.
633 West Fifth Street, 63rd Floor
Los Angeles, CA 90071
Telephone: (213) 443-4300
Fax No.: (213) 443-4299

DAVID S. MAOZ, Bar No. 233857
DMaoz@littler.com
LITTLER MENDELSON, P.C.
2049 Century Park East, 5th Floor
Los Angeles, CA 90067.3107
Telephone: 310.553.0308
Fax No.: 310.553.5583

Attorneys for Defendant
ATLAS AIR, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

GHUFRAN KHAN, on behalf of himself and all others aggrieved employees,

Plaintiff,

v.

ATLAS AIR, INC., a corporation doing business in California; and DOES 1-50, inclusive,

Defendant.

Case No. 20STCV40478

ASSIGNED FOR ALL PURPOSES TO JUDGE STEVEN J. KLEIFELD / DEPT. 57

JOINT STIPULATION AND SETTLEMENT OF CLASS ACTION AND PAGA CLAIMS

1 This Joint Stipulation for Class Action and PAGA Settlement and Release of Claims is made
2 and entered into by and between Plaintiff GHUFRAN KHAN (“**Class Representative**” or
3 “**Plaintiff**”) individually and on behalf of the alleged putative class of all other similarly situated
4 individuals, on the one hand, and Defendant ATLAS AIR, INC. (“**Defendant**”), on the other hand,
5 to resolve the class and representative action wage and hour disputes that led to the above-captioned
6 Litigation.

7 THE PARTIES STIPULATE AND AGREE as follows:

8 **I. DEFINITIONS**

- 9 1. “**Agreement**,” “**Stipulation**,” “**Settlement**” and “**Joint Stipulation**” all mean this
10 document.
- 11 2. “**Class Counsel**” shall mean Justin Lo and Ed Kim of Work Lawyers, P.C.
- 12 3. “**Class Counsel Fees and Costs Payment**” means the amount of attorneys’ fees and
13 costs awarded by the Court pursuant to the terms of this Agreement.
- 14 4. “**Class Member**” shall mean a member of the Class.
- 15 5. “**Class**” shall mean any and all persons who are or have been employed by
16 Defendant as ground employees in non-exempt or equivalent positions, however titled, in the state
17 of California during the Class Period.
- 18 6. “**Class Period**” means from October 21, 2016 until May 31, 2022..
- 19 7. “**Class Representative Service Payment**” means the payment to Class
20 Representative Ghufran Khan described in Section IV of this Agreement.
- 21 8. “**Court**” means the Superior Court of California for the County of Los Angeles.
- 22 9. “**Court’s Final Order and Judgment**” means the Final Order Approving Class
23 Action Settlement and Judgment in a form to be agreed upon by the Parties and as approved by the
24 Court.
- 25 10. “**Defendant**” shall mean Atlas Air, Inc.
- 26 11. “**Defendant’s Counsel**” shall mean Rebecca Aragon and David S. Maoz of Littler
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1 Mendelson.

2 12. **“Effective Date”** shall have the meaning ascribed to it in Paragraph 71 below.

3 13. **“Employee Payroll Taxes”** means the employee portion of all applicable tax
4 withholdings including, but not limited to, FICA, FUTA, and other employment related taxes and
5 withholding of federal, state, and local income taxes.

6 14. **“Employer Payroll Taxes”** means the employer’s share of FICA, FUTA, and all
7 other local, state, and federal payroll taxes and deductions related to the Individual Settlement
8 Payments.

9 15. **“Final Approval Hearing”** means the hearing at which the Court shall consider,
10 without limitations, any timely objections to the Settlement from Class Members, testimony from
11 the Parties or their counsel, declarations regarding the settlement process from the Settlement
12 Administrator, and otherwise make a final determination regarding the fairness of the Settlement
13 described herein.

14 16. **“Gross Settlement Amount”** means One-Hundred Seventy-Thousand Dollars and
15 No Cents (\$170,000.00), payable by Defendant as provided by this Agreement and as ordered by
16 the Court. The Gross Settlement Amount is inclusive of the following deductions: all payments to
17 Class Members, the Class Counsel Fees and Costs Payment, the Class Representative Service
18 Payment, the Settlement Administration Fees, the California Labor & Workforce Development
19 Agency (“LWDA”) payment described in Paragraph 44.

20 17. **“Individual Settlement Payment”** means the payment to be made to Participating
21 Class Members from the Net Settlement Fund, pursuant to the terms of this Agreement.

22 18. **“Litigation”** means the lawsuit entitled *Khan v. Atlas Air, Inc.*, Los Angeles County
23 Superior Court, Case No. 20STCV40478.

24 19. **“Memorandum of Understanding”** means the short form settlement agreement
25 containing the material terms of the Parties’ settlement entered into between the Parties during a
26 private mediation with mediator Tripper Ortman on October 14, 2021.

1 20. “**Net Settlement Fund**” means the remainder of the Gross Settlement Fund after
2 making the deductions described in Paragraph 16. The Net Settlement Fund shall be allocated
3 among the Participating Class Members according to the formula and other terms described in
4 Section VI of this Agreement.

5 21. “**Non-Participating Class Member**” means a putative Class Member who submits
6 a timely and valid request to opt-out of the Settlement.

7 22. “**Notice of Proposed Settlement**” means the Notice of Settlement of Class Action
8 in the form attached hereto as **Exhibit A**, and as approved by the Court.

9 23. “**Operative Complaint**” means the Complaint on file in the Litigation and
10 described more fully in Paragraph 34 of this Agreement.

11 24. “**Participating Class Member**” means a Class Member who does not timely and
12 validly opt out of the Settlement.

13 25. “**PAGA**” means the California Labor Code Private Attorneys General Act,
14 California Labor Code §§ 2698, *et seq.*

15 26. “**PAGA Subclass**” means and includes all Class Members who were employed by
16 Defendant during any time between October 21, 2019 through May 31, 2022..

17 27. “**Parties**” shall refer to the Class Members and Defendant, each of whom is a
18 “**Party.**”

19 28. “**Preliminary Approval of the Settlement**” means the Court’s preliminary
20 approval of the Settlement.

21 29. “**Released Parties**” collectively means: (a) Defendant; (b) Defendant’s respective
22 past, present, and future parents, subsidiaries, affiliates, divisions, fiduciaries, predecessors,
23 successors, and assigns; and (c) the past, present, and future shareholders, directors, owners,
24 officers, directors, agents, representatives, employees, attorneys, insurers, and the predecessors,
25 successors, and assigns of any of the foregoing.

26 30. “**Released Claims**” means the following:
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a. **Release as to All Settlement Class Members.** Upon the date that the settlement is considered final as defined in Paragraph 71, Class Representative and all members of the Settlement Class, except those that make a valid and timely request to be excluded from the Class, waive, release, discharge, and promise never to assert in any forum any and all claims against Defendant, its respective past, present, and future parents, subsidiaries, affiliates, predecessors or successors in interest, or the officers, directors, shareholders, employees, attorneys, agents, assigns, insurers, re-insurers, of any of them, that were alleged in the Litigation or which could have been alleged based on the facts asserted in the Litigation. These claims include, but are not limited to: (1) claims for missed or unpaid meal periods or rest periods; (2) failure to pay all wages owed (including without limitation, failure to pay the regular rate of pay, overtime pay, double time pay, premium pay and/or otherwise properly calculate overtime); (3) any claim for failure to properly pay vacation pay; (4) any claim for unreimbursed work expenses; (5) any claim for failure to properly pay all wages upon termination; paystub claims; (6) waiting time penalties; (7) PAGA penalties; (8) FLSA claims, and/or; (9) unfair competition claims based on the foregoing. The release of the foregoing claims, extends to all theories of relief regardless of whether the claim is, was or could have been alleged as separate claims, causes of action, lawsuits or based on other theories of relief, whether under federal law, state law or common law (including, without limitation, as violations of the California Labor Code, the Wage Orders, applicable regulations. California's Business and Professions Code section 17200 or under California's Private Attorney General Act).; and any other applicable provisions of state or federal law. As to the PAGA claims, only those Class Members who worked during the time period between October 21, 2019 until May 31, 2022 ("PAGA

1 Period”) will release claims for civil penalties under PAGA, and only for the
2 claims that were pled in the action, including the Complaint, or that could have
3 been plead based on the facts alleged in the Litigation.

4 b. **General Release by Named Plaintiff Only.** In addition to the release made in
5 Paragraph 30(a), Class Representative makes the additional following general
6 release of all claims, known or unknown. Upon the date that the settlement is
7 considered final as defined in Paragraph 71, Class Representative releases
8 Defendant, and each of its respective past, present, and future parents,
9 subsidiaries, affiliates, predecessors or successors in interest, officers,
10 directors, shareholders, employees, attorneys, agents, assigns, insurers, and re-
11 insurers of any of them, from all claims, demands, rights, liabilities and causes
12 of action of every nature and description whatsoever, known or unknown,
13 asserted or that might have been asserted, whether in tort, contract, or for
14 violation of any state or federal statute, rule or regulation arising out of, relating
15 to, or in connection with any act or omission by or on the part of the Defendant.

16 31. **“Settlement”** means Class Representative’s and Defendant’s agreement to settle
17 the Litigation on the terms described in this Agreement.

18 32. **“Settlement Administrator”** means the third-party claims administration firm
19 selected by Class Representative and Defendant and approved by the Court. Class Representative
20 and Defendant have agreed to propose Phoenix Settlement Administrators (“Phoenix”) as the
21 Settlement Administrator for the Court’s consideration and approval.

22 33. **“Settlement Administration Fees”** means the amount of fees and costs incurred by
23 the Settlement Administrator awarded by the Court pursuant to the terms of this Agreement, which
24 is not anticipated to exceed \$4500.

25 **II. THE LITIGATION**

26 34. Procedural History. On October 21, 2020, Class Representative filed a PAGA
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1 action in the Superior Court of California for the County of Los Angeles against Defendant, entitled
2 *Khan v. Atlas Air, Inc.* (Los Angeles County Superior Court Case No. 20STCV40478) that included
3 causes of action for: (1) failure to provide meal periods; (2) failure to provide rest breaks; (3) failure
4 to provide complete and accurate wage statements; (4) failure to pay overtime wages; (5) failure to
5 pay minimum wages; (6) failure to timely pay wages during employment; (7) failure to pay all
6 wages due to discharged and quitting employees; and, (8) violation of Labor Code § 221.
7 Defendant filed an Answer generally and specifically denying the material allegations of the
8 Complaint and setting forth numerous affirmative defenses thereto. It is Plaintiff's intent and the
9 Parties hereby agree to stipulate that Plaintiff amend the PAGA Action Complaint to add non-
10 PAGA class claims corresponding in scope and substance to the PAGA claims in the PAGA Action
11 Complaint pending in the Los Angeles Superior Court for settlement purposes only and for no other
12 purposes. The Parties will jointly agree to the timing and logistics of the amendment of the PAGA
13 Action Complaint. The final amended PAGA Action Complaint shall be subject to reasonable
14 review and approval by Defendant prior to filing. Plaintiff's filing of a First Amended Complaint
15 is a material term of the Parties' Settlement and this Agreement.

16 35. Investigation and Discovery. Class Counsel has conducted a thorough investigation
17 of the facts in the Litigation and has diligently pursued an investigation of Class Members' claims
18 against Defendant. Class Representative has engaged in substantial investigation in connection
19 with the Litigation, including informal exchange of a large volume of information, including
20 confidential information, regarding the claims asserted in the Litigation, the defenses available to
21 Defendant, and other relevant issues. Defendant has produced, and Class Counsel have reviewed
22 and analyzed, relevant personnel and payroll information for Class Representative and all Class
23 Members.

24 36. Mediation. On October 14, 2021, Class Representative and Defendant participated
25 in an all-day mediation with mediator Tripper Ortman. At the conclusion of the mediation, the
26 Parties agreed to resolve the matter as stated herein and entered into a Memorandum of
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1 Understanding memorializing the settlement agreement.

2 37. No Admission of Liability. Class Representative and Defendant have entered into
3 this Settlement in order to amicably resolve this matter without the time and expense of litigation
4 for either party. Defendant denies any liability or wrongdoing of any kind associated with the
5 claims alleged in the Litigation, including all allegations made in the Complaint. Defendant further
6 contends that, for any purpose other than settlement, this action is not appropriate for class
7 treatment. Among other things, Defendant contends that it complied in good faith with California
8 wage and hour laws and the California Business and Professions Code.

9 38. Inadmissibility of Agreement. Whether or not the Court grants Final Approval of
10 the Settlement, neither this Agreement, nor any of its terms, nor any document, statement,
11 proceeding or conduct related to this Agreement, nor any reports or accounts thereof, shall in any
12 event be: (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence
13 for any purpose adverse to the Released Parties, including, but not limited to, evidence of a
14 presumption, concession, indication or admission by any of the Released Parties of any liability,
15 fault, wrongdoing, omission, concession or damage except for purposes of settling this Action or
16 enforcing the Released Claims contained herein pursuant to the terms of this Agreement; (ii)
17 disclosed, referred to or offered or received in evidence against any of the Released Parties in any
18 further proceeding in the Litigation or any other civil, criminal or administrative action or
19 proceeding except for purposes of settling this Litigation or enforcing the Released Claims
20 contained herein pursuant to the terms of this Agreement; or (iii) used in any other way or for any
21 other purpose except for: (a) purposes of settling this Litigation or enforcing the Released Claims
22 contained herein pursuant to the terms of this Agreement; or (b) as evidence of relative value of
23 claims in mediation, Preliminary Approval and/or Final Approval when settling matters against
24 parties other than the Released Parties, in which case only public information may be provided.

25 39. Fair, Reasonable, and Adequate Settlement. Based on the investigation summarized
26 above, Class Counsel are of the opinion that the Settlement on the terms set forth in this Agreement

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1 is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts
2 and circumstances, including the risk of significant delay, defenses asserted by Defendant,
3 unresolved legal issues that could have a material impact on the outcome of the Litigation, and
4 numerous potential appellate issues. Class Representative and Defendant recognize that the issues
5 presented in the Litigation are likely only to be resolved after extensive and costly pretrial
6 proceedings, including a dispute as to whether any of the claims asserted can be certified as a class
7 action, and that further litigation will cause inconvenience, distraction, disruption, delay and
8 expense disproportionate to the potential benefits of continued litigation. Class Representative and
9 Defendant agree that they have taken into account the risk and uncertainty of the outcome inherent
10 in any complex litigation of this nature.

11 **III. SETTLEMENT AMOUNT**

12 40. Consideration. The Gross Settlement Amount that Defendant will be obligated to
13 pay in connection with the Settlement is One-Hundred Seventy Thousand Dollars and Zero Cents
14 (\$170,000.00), as set forth in Paragraph 16 above. The Gross Settlement Amount is inclusive of all
15 payments to Class Members, the Class Counsel Fees and Costs Payment, the Class Representative's
16 Service Payment, the Settlement Administration Fees, the LWDA payment described in Paragraph
17 44, and each individual Class Member's share of Employee Payroll Taxes, and any other applicable
18 withholdings required by law, and does not include Defendant's share of Employer Payroll Taxes.
19 The Gross Settlement Amount has been agreed to by Class Representative and Defendant based on
20 the aggregation of the agreed-upon settlement value of the Released Claims of the Class Members.

21 41. Tax Treatment of Payments to Participating Class Members. The parties agree to
22 allocate the settlement distributions to members of the class as 20% to wages and 80% to penalties
23 and interest. For the portion characterized as wages, normal Employee Payroll Taxes and
24 withholdings will be deducted pursuant to state and federal law. Other than paying the Employer
25 Payroll Taxes on the portion allocated to wages, Defendant shall have no responsibility for the tax
26 treatment of the non-wage components of the settlement payments.

1 42. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
2 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
3 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
4 PARTY”) ACKNOWLEDGES AND AGREES THAT (i) NO PROVISION OF THIS
5 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
6 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
7 INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE
8 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
9 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR
10 PART 10, AS AMENDED); (ii) THE ACKNOWLEDGING PARTY (A) HAS RELIED
11 EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
12 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
13 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
14 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
15 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
16 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
17 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
18 ACKNOWLEDGING PARTY; AND (iii) NO ATTORNEY OR ADVISER TO ANY OTHER
19 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
20 OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF
21 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
22 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
23 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
24 AGREEMENT.

25 43. Uncashed Checks. This is a “non-reversionary” settlement. Under no circumstances
26 will any of the settlement revert to Defendant. Participating Class Members will not have to make
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1 a claim in order to receive a distribution. Distributions, in the form of Individual Settlement
2 Payments, will be made directly to each Participating Class Member. Any remainder from the Net
3 Settlement Fund, *i.e.*, uncashed checks delivered to Participating Class Members by the Settlement
4 Administrator pursuant to the terms of this Agreement that remain uncashed for 180 days or more,
5 after reasonable efforts have been made to locate Class Members, will be delivered to the DLSE's
6 unpaid or unclaimed wage fund.

7 44. PAGA Penalty Allocation. From the Gross Settlement Amount, twenty thousand
8 dollars (\$20,000.00) shall be allocated as PAGA penalties. From this amount, three-quarters (75%)
9 (\$15,000.00) shall be paid to the LWDA, and the remaining one-quarter (25%) (\$5000.00) shall be
10 distributed to the PAGA Subclass, as defined in Paragraph 57, below.

11 **IV. CLASS REPRESENTATIVE SERVICE PAYMENT**

12 45. As part of the Agreement, Defendant agrees not to oppose Class Representative's
13 application to the Court for an individual Class Representative Service Payment of Three Thousand
14 Dollars and Zero Cents (\$3,000.00) to Plaintiff who has served as a Class Representative, in
15 addition to any payments he is otherwise entitled to as a Class Member, which is to be paid out of
16 the Gross Settlement Amount.

17 46. Should the Court approve a lesser amount for the Class Representative Service
18 Payment, the difference shall be added back to the Net Settlement Fund to be distributed to the
19 Participating Class Members. Any Court order awarding less than the amount sought by Class
20 Representative shall not be grounds to rescind the Settlement Agreement or otherwise void the
21 Settlement.

22 47. The Settlement Administrator will issue to the Class Representative an IRS Form
23 1099 reflecting the Class Representative Service Payment paid to them.

24 **V. ATTORNEYS' FEES AND COSTS**

25 48. As part of the Agreement, Defendant agrees not to oppose an application by Class
26 Representative to the Court for Class Counsel fees in the amount of up to 33.33% of the Gross
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1 Settlement Amount (*i.e.*, Fifty-Six Thousand Six-Hundred Sixty-One Dollars (\$56,666.66) and
2 reasonable expenses not to exceed Fifteen Thousand Dollars and Zero Cents (\$15,000.00), upon
3 proof provided to the Court.

4 49. Should the Court approve a lesser amount of Class Counsel Fees and Costs Payment
5 than what is sought by Class Counsel, the difference shall be added back to the Net Settlement
6 Fund to be distributed to the Participating Class Members. Any Court order awarding less than the
7 amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or
8 otherwise void the Settlement.

9 50. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099
10 reflecting the amount of attorneys' fees and costs awarded by the Court.

11 **VI. CLASS MEMBER DISTRIBUTION FORMULA**

12 51. After deducting the Class Representative Service Payment, the Class Counsel Fees
13 and Costs Payment, the PAGA payment to the LWDA and the Settlement Administration Fees
14 from the Gross Settlement Amount, the remaining balance shall constitute the Net Settlement Fund
15 which will be distributed as described in this Section VI.

16 52. Defendant denies any liability or wrongdoing of any kind associated with the claims
17 alleged in the Litigation, including all allegations made in the Operative Complaint. Nothing in the
18 allocation formulas in this section shall be deemed an admission that any Class Member has
19 stronger or weaker claims than any other Class Member.

20 53. The Settlement Administrator will calculate each Participating Class Member's
21 number of workweeks and the total number of workweeks worked by all Participating Class
22 Members using the Class Data provided by Defendant (as described in Paragraph 61). The
23 Settlement Administrator will determine the Individual Settlement Payment for each Participating
24 Class Member according to the following formulas:

25 54. **The Class.** The Settlement Administrator will calculate each Participating Class
26 Member's number of workweeks and the total number of workweeks worked by all Participating
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1 Class Members using the Class Data provided by Defendant (as described in Paragraph 61). The
2 Settlement Administrator will determine the Individual Settlement Payment for each Participating
3 Class Member according to the following formula: Each Participating Class Member will receive
4 a proportionate share of the Net Settlement Fund that is equal to (i) the number of workweeks he
5 or she worked based on the Class Data, divided by (ii) the total number of workweeks worked by
6 all Participating Class Members based on the Class Data.

7 55. Once determined, each Individual Settlement Payment will be reduced by any
8 required legal deductions, including tax and other required withholdings, for each Participating
9 Class Member.

10 56. A Participating Class Member's receipt of an Individual Settlement Payment shall
11 not entitle him or her to additional compensation or benefits of any kind under any of Defendant's
12 compensation or employee benefits plans.

13 57. **The PAGA Subclass.** From the twenty thousand dollars
14 (\$20,000) allocated to PAGA penalties, one-quarter (25%) (\$5,000.00) shall be distributed to the
15 PAGA Subclass, which shall consist of all Class Members who were employed by Defendant from
16 October 21, 2019 through the date of May 31, 2022. Each Participating Class Member who is a
17 member of the PAGA Subclass will receive a proportionate share of money allocated to that
18 subclass that is equal to (i) the number of workweeks he or she worked during the time period from
19 October 21, 2019 through the date of May 31, 2022, divided by (ii) the total number of workweeks
20 worked by all Participating Class Members who are members of the PAGA Subclass during the
21 time period from October 21, 2019 through the date of May 31, 2022.

22 **VII. SETTLEMENT ADMINISTRATION**

23 58. **Settlement Administrator.** Class Representative and Defendant have agreed to and
24 will request that the Court appoint Phoenix as Settlement Administrator for this Settlement.

25 59. **Class Counsel.** Class Representative and Defendant stipulate and agree to propose
26 to the Court that Work Lawyers, P.C. be appointed as Class Counsel to carry out the duties
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1 described in this Agreement.

2 60. Stipulation to Conditional Certification. Class Representative and Defendant
3 stipulate, for settlement purposes only, that the Court may conditionally certify the Class, as defined
4 in this Joint Stipulation, as an opt-out class (the “**Class Stipulation**”). More specifically, Class
5 Representative and Defendant agree as part of the Joint Stipulation that, for settlement purposes
6 only, the legal requirements for an opt-out class are satisfied. This conditional Class Stipulation is
7 made solely for purposes of the Settlement. The Class Stipulation is in no way an admission that
8 class action certification is proper, and neither this Joint Stipulation nor the Class Stipulation will
9 be admissible in this or any other action or proceeding as evidence either that (i) the claims
10 advanced in the Litigation, or any other class, collective, or representative action claims, should be
11 certified, or that (ii) Defendant or any of the Released Parties are liable to the Class Representative,
12 the Class Members, or any other putative class members.

13 61. Provision of Class Data to Settlement Administrator. Within fifteen (15) business
14 days from the date of Preliminary Approval of the Settlement, Defendant will provide to the
15 Settlement Administrator each Class Member’s: (a) name; (b) last known address; (c) employment
16 dates during the Class Period, including: date of termination (if applicable); (d) total number of
17 workweeks worked from October 21, 2016 through May 31, 2022; and (e) total number of
18 workweeks worked from October 21, 2019 through May 31, 2022; and (f) Social Security Number
19 (the “**Class Data**”). The Class Data shall be based on Defendant’s payroll and available business
20 records in a format acceptable to the Settlement Administrator. The Settlement Administrator will
21 run a check of the Class Members’ addresses against those on file with the U.S. Postal Service’s
22 National Change of Address List. The Class Data provided to the Settlement Administrator will
23 remain confidential and will not be used or disclosed to anyone, except as required by applicable
24 tax authorities, pursuant to Defendant’s express written consent, or by order of the Court.

25 **VIII. NOTICE AND CLASS MEMBER APPROVAL PROCESS**

26 62. Notice to Putative Class Members. Within ten (10) business days following the
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1 Settlement Administrator’s receipt of the Class Data, the Notice of Proposed Settlement (“**Notice**”)
2 shall be sent by the Settlement Administrator to the Class Members, by first class mail. The Notice
3 will include, non-exclusively:

- 4 a. Contact information for Class Counsel;
- 5 b. The address for a website, maintained by the Settlement Administrator
6 or Class Counsel, that has links to the notice, motions for approval and
7 for attorneys’ fees, and any other important documents in the case;
- 8 c. Instructions on how to access the case docket online or in person at the
9 court;
- 10 d. The date of the final approval hearing and clearly state that the date may
11 change without further notice to the class;
- 12 e. An advisement to Class Members to check the settlement website or the
13 Court’s website to confirm that the hearing date has not been changed;
- 14 f. Information regarding the nature of the Litigation, including a summary
15 of the substance of the Settlement, the Class definitions, and the formula
16 used in calculating the Individual Settlement Payments;
- 17 g. Information about the ability to opt-out of the Settlement and the
18 process for doing so;
- 19 h. Information about the ability to object to the Settlement and the process
20 for doing;
- 21 i. The time period during which the Class Member worked during the
22 Class Period; and
- 23 j. The Class Member’s estimated Individual Settlement Payment.

24 If the information listed on the Notice is disputed, the Class Member disputing the
25 information may produce information to the Settlement Administrator through the dispute process
26 described in Paragraph 67 below.

IX. APPROVAL PROCESS

1 63. Opt-In Not Required. Class Members are not required to submit any type of claim
2 form in order to receive settlement payments from the Net Settlement Fund. However, if a new
3 address is obtained by way of a returned Notice, then the Settlement Administrator shall promptly
4 forward the original Notice to the updated address via first-class regular U.S. Mail indicating on
5 the original Notice the date of such re-mailing. Where a Notice is returned as undeliverable, without
6 a forwarding address, the Settlement Administrator will perform a “skiptrace” search using the
7 National Change of Address database to obtain an updated address. Class Representative and
8 Defendant agree to cooperate with the Settlement Administrator to locate a more recent address for
9 Class Members where necessary. Notices will be re-mailed by the Settlement Administrator to any
10 Class Member for whom an updated address is located.

11 64. Opt-Out. Class Members who request exclusion from the Settlement in accordance
12 with the terms set forth in the Notice of Proposed Settlement will be deemed timely only if
13 postmarked on or before thirty (30) calendar days following the date of initial mailing of the Notice
14 by the Settlement Administrator (“**Exclusion Deadline**”). The date of the postmark on the return
15 mailing envelope shall be the exclusive means used to determine whether a request for exclusion
16 has been timely submitted.

17 65. Effect of Opt-Out. Class Members who validly and timely opt-out of the Class will
18 not be entitled to any recovery under the Settlement, will not be bound by the Settlement, and will
19 not have any right to object, appeal, or comment thereon, except that the opt-out provision shall
20 not affect their release and participation in the PAGA Settlement. Class Members who do not
21 submit a valid and timely request for exclusion shall be bound by all the terms of this Agreement
22 and any final judgment or order in this Litigation, and shall be deemed to have waived all unstated
23 objections and opposition to the fairness, reasonableness, and adequacy of this Agreement. If 10%
24 or more of the Class Members opt-out, Defendant shall have the right to rescind this Stipulation
25 and the parties’ settlement in its sole and absolute discretion.
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1 66. Opt-Out List. At the conclusion of the Notice period and at any time upon request,
2 the Settlement Administrator shall provide counsel for Class Representative and Defendant with a
3 complete list of all Class Members who have timely requested exclusion from the Class.

4 67. Disputes Regarding Class Data. If a Class Member disputes the number of
5 workweeks listed on the Notice, the Class Member may produce evidence to the Settlement
6 Administrator indicating the number of workweeks contended to have been worked. Defendant’s
7 records will be presumed determinative, absent evidence to rebut Defendant’s records, but the
8 Settlement Administrator will evaluate the evidence submitted by the Class Member and provide
9 the evidence submitted to Class Representative and Defendant who agree to meet and confer in
10 good faith about the evidence to determine the Class Member’s actual number of workweeks and
11 estimated Individual Settlement Payment. If Class Representative and Defendant are unable to
12 agree, they agree to submit the dispute to the Settlement Administrator to render a final decision.

13 68. Objection to Settlement. Any Class Member who has not submitted a request for
14 exclusion may object to this Joint Stipulation, or any portion thereof, by filing a written objection
15 with the Court or by appearing at the Final Approval Hearing in person or through counsel of their
16 choice. Any written objection or supporting papers, if any, shall be mailed to the Settlement
17 Administrator at the address that is set forth in the Notice of Proposed Settlement, and the
18 Settlement Administrator shall provide the objection to Class Representative’s counsel and Defense
19 counsel within three (3) days of receipt, and Class Counsel shall file the same with the Court within
20 three (3) days of receipt from the Settlement Administrator. To be timely, all objections must be
21 postmarked no later than thirty (30) calendar days following the date of the first mailing of the
22 Notice by the Settlement Administrator (“**Objection Deadline**”). A written objection must contain
23 the objecting person’s full name, current address, and include all objections and the reasons
24 therefore, and include any and all supporting papers (including, without limitation, all briefs,
25 written evidence, and declarations). A Class Member who desires to object but who fails to comply
26 with the objection procedure set forth herein shall be deemed not to have objected.

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1 69. Appearance at Final Approval Hearing. If a Participating Class Member wishes to
2 appear at the Final Approval Hearing and present their objection to the Court orally, they may do
3 so. Any Participating Class Member who files an objection remains eligible to receive monetary
4 compensation from the Settlement. Class Representative and Defendant shall not be responsible
5 for any fees, costs, or expenses incurred by any Class Member and/or their counsel related to any
6 objections to the Settlement and/or appeals arising therefrom.

7 70. Deadline for Cashing Settlement Checks. Participating Class Members shall have
8 180 days from the date checks are mailed by the Settlement Administrator to cash the checks
9 representing their Individual Settlement Payments. If any such checks mailed remain uncashed
10 after the expiration of this period, after reasonable efforts have been made to locate Class Members,
11 will be delivered to the DLSE's unpaid or unclaimed wage fund.

12 71. Effective Date of Settlement. The Settlement shall become effective when the
13 Settlement is considered as "Final." For purposes of this Agreement, "Final" means: (i) in the event
14 that the Settlement has received final approval by the Court and there were no timely objections
15 filed or presented, or that any timely objections have been withdrawn, then the date of the Court's
16 Order granting final approval of the Settlement; or, (ii) in the event that one or more timely
17 objections has/have been filed or presented and not withdrawn at the time of final approval, then
18 upon the passage of the applicable date for an objector to seek appellate review of the trial court's
19 order of final approval of the Settlement, without a timely appeal having been filed; or, (iii) in the
20 event that a timely appeal of the court's order of final approval has been filed, then when the
21 applicable appellate court has rendered a final decision or opinion affirming the Superior Court's
22 final approval without material modification, and the applicable date for seeking further appellate
23 review has passed, or the date that any such Appeal has been either dismissed or withdrawn by the
24 appellant.

25 **X. DELIVERY OF FUNDS TO SETTLEMENT ADMINISTRATOR**

26 72. Within thirty (30) business days after the Settlement is considered "Final" as
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1 described in Paragraph 71 above, Defendant shall make a one-time deposit of the Gross Settlement
2 Amount (as defined in Paragraph 16) into a qualified settlement account to be established by the
3 Settlement Administrator. The Gross Settlement Amount shall be used to pay the following, in
4 amounts finally approved by the Court:

- 5 a. The Individual Settlement Payments and PAGA payments to all
6 Participating Class Members, as calculated by the Settlement
7 Administrator;
- 8 b. The Class Representative Service Payment;
- 9 c. The Settlement Administration Fees;
- 10 d. The PAGA payment to the LWDA; and,
- 11 e. Class Counsel Fees and Costs.

12 **XI. DISTRIBUTUION OF FUNDS**

13 73. Within ten (10) business days after receipt of Defendant's payment of the Gross
14 Settlement Amount to fund the Settlement as provided in this Agreement, the Settlement
15 Administrator shall do the following:

- 16 a. Mail the Individual Settlement Payment and PAGA payment, if applicable, to
17 each Class Member's last-known address, as determined from the Notice
18 process;
- 19 b. Disburse, by such means as Class Counsel may direct, the amount of the Class
20 Representative Service Payments and Class Counsel Fees and Costs Payment;
- 21 c. Calculate, withhold, and remit to applicable governmental agencies each
22 employee's Employee Payroll Taxes, on the wage portion of the settlement
23 payments to Participating Class Members in accordance with this Agreement;
- 24 d. Calculate Defendant's share of applicable Employer Payroll Taxes and notify
25 Defendant of that amount; and
- 26 e. Mail the PAGA payment approved by the Court to the LWDA with the
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1 cover letter provided by Class Counsel.

2 **XII. RELEASE OF CLAIMS**

3 74. Participating Class Members' Release. Class Representative and Defendant desire
4 to fully, finally, and forever settle, compromise, and discharge the Released Claims set forth in
5 Paragraph 30. Each and every Participating Class Member, including the Class Representative,
6 hereby release, discharge, and agree to hold harmless Defendant and all of the other Released
7 Parties, and each of them, from any and all claims that were alleged in the Litigation or which could
8 have been alleged based on the facts asserted in the Litigation, as described in Paragraph 30(a), up
9 through and including the last day of the Class Period.

10 75. Scope of Class Members' Release. Class Representative and Defendant intend that
11 the Settlement described in this Agreement will release and preclude any further claim, whether by
12 lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each
13 and all of the Participating Class Members to obtain a recovery based on, arising out of, and/or
14 related to any and all of the Released Claims. The Class Members shall be so notified in the Notice
15 to the Class. This paragraph does not apply to any Class Member who timely and validly opts out
16 of the Settlement.

17 **XIII. RETENTION OF JURISDICTION**

18 76. Class Representative and Defendant stipulate that the Court may retain jurisdiction
19 over any further disputes relating to this Agreement, the implementation of the Agreement, the
20 interpretation of the Agreement or any of its terms, or further issues regarding the claims in the
21 Litigation, until the Settlement Administrator and Class Representative and Defendant notify the
22 Court that all issues have been resolved and the Settlement has been fully effectuated. Class
23 Representative and Defendant shall endeavor to give such notice within 180 days from the Final
24 Approval Order.

25 **XIV. GENERAL PROVISIONS**

26 77. Appointment of Class Counsel. For purposes of this Joint Stipulation and subject to
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1 the Court’s approval, Class Representative and Defendant hereby stipulate to the appointment of
2 Class Counsel as counsel for the Class and the effectuation of the Settlement pursuant to this Joint
3 Stipulation.

4 78. Settlement Administration Fees If Settlement Fails. If for any reason this Settlement
5 is not approved and does not become “Final,” any Settlement Administration Fees incurred as a
6 result of administration of the failed Settlement shall be borne equally by Class Representative and
7 Defendant, unless otherwise specified in this Agreement.

8 79. No Prior Assignments. The Parties and their counsel represent, covenant, and
9 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to
10 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
11 action, cause of action or right herein released and discharged.

12 80. Interpretation. Class Representative and Defendant have had a full opportunity to
13 negotiate the terms and conditions of this Agreement, with the assistance of a neutral mediator.
14 Accordingly, Class Representative and Defendant expressly waive the common-law and statutory
15 rule of construction that ambiguities should be construed against the drafter of an agreement. Class
16 Representative and Defendant agree that the language in this Agreement shall not be construed in
17 favor or against any Party. Class Representative and Defendant further agree, covenant, and
18 represent that the language in all parts of this Agreement shall be in all cases construed as a whole,
19 according to its fair meaning. Each term of this Agreement is contractual and not merely a recital.

20 81. Rescission. Class Representative and Defendant agree that if, at any time before the
21 Effective Date, any portion of the Released Claims, the Notice, and/or the distribution provisions
22 of this Agreement are determined to be illegal, invalid, or unenforceable, then Class Representative
23 and Defendant agree to meet and confer in order to attempt to resolve outstanding issue(s) and to
24 seek the help of Mediator Tripper Ortman to resolve any dispute they are unable to resolve
25 informally. If Class Representative and Defendant cannot resolve such issue(s), this Agreement
26 shall be rescindable at the option of either Party. The rescinding party must rescind by written
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1 notice filed with the Court and served on counsel for the opposing party within thirty (30) days
2 after any order or written ruling that declares any such portion to be illegal, invalid, or
3 unenforceable. The rescinding party will be responsible for paying any Settlement Administration
4 Fees incurred as a result of administration of the failed Settlement.

5 82. Effect If No Final Approval. If the Court denies final approval of the Settlement,
6 then this Settlement shall become null and void. If the Settlement is voided through any of the
7 mechanisms described herein, Class Representative and Defendant will have no further obligations
8 under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount,
9 or any amounts that otherwise would have been owed under this Settlement.

10 83. Cooperation. Class Representative and Defendant agree to fully cooperate with each
11 other to accomplish the terms of this Agreement, including but not limited to, executing such
12 documents and to taking such action as may reasonably be necessary to implement the terms of this
13 Agreement. Class Representative and Defendant shall use their best efforts, including all efforts
14 contemplated by this Agreement and any other efforts that may become necessary by order of the
15 Court, or otherwise, to effectuate the terms of this Agreement. As soon as practical after execution
16 of this Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and their
17 counsel, take all reasonable and necessary steps to secure the Court's final approval of this
18 Agreement.

19 84. Dispute Resolution; Attorneys' Fees and Costs. Prior to instituting legal action to
20 enforce the provisions of this Agreement or to declare rights and/or obligations under this
21 Agreement, a party shall provide written notice to all parties and an opportunity to cure the alleged
22 deficiencies, and Class Representative and Defendant agree to seek the help of Mediator Tripper
23 Ortman to resolve any dispute they are unable to resolve informally. During this period, Class
24 Representative and Defendant shall bear their own attorneys' fees and costs. If either Defendant or
25 Class Representative, the signatories to this Agreement, institute a legal action or other proceeding
26 against any other party to enforce the provisions of this Agreement or to declare rights and/or
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1 obligations under this Agreement, the successful party shall be entitled to recover from the
2 unsuccessful party reasonable attorneys' fees and costs at the Court's discretion. This provision
3 shall not apply to any legal action or other proceeding instituted by any person or entity other than
4 Class Representative or Defendant.

5 85. Notice Requirements. Unless otherwise specifically provided herein, all notices, demands,
6 or other communications given hereunder shall be in writing and shall be deemed to have
7 been duly given as of the fifth business day after mailing by United States registered or
8 certified mail, return receipt requested, addressed as follows:

9 To CLASS REPRESENTATIVE and the Class:

10
11 Justin Lo (SBN 280102)
12 **WORK LAWYERS, PC**
13 22939 Hawthorne Blvd., #202
14 Torrance, CA 90505
15 Phone: (866) 496- 7552
16 Fax: (424) 355-8535
17 Justin@caworklawyer.com

18 To DEFENDANT:

19 REBECCA ARAGON, Bar No. 134496
20 RAragon@littler.com
21 **LITTLER MENDELSON, P.C.**
22 633 West Fifth Street
23 63rd Floor
24 Los Angeles, CA 90071
25 Telephone: (213) 443-4300
26 Fax No.: (213) 443-4299

1 DAVID S. MAOZ, Bar No. 233857
2 DMaoz@littler.com
3 **LITTLER MENDELSON, P.C.**
4 2049 Century Park East
5 5th Floor
6 Los Angeles, CA 90067.3107
7 Telephone: 310.553.0308
8 Fax No.: 310.553.5583

9 86. Entire Agreement. This Joint Stipulation constitutes the entire agreement between
10 Class Representative and Defendant and their respective counsel relating to the Settlement, this
11 Joint Stipulation, and the transactions contemplated thereby. All prior or contemporaneous
12 agreements, understandings, representations, and statements, whether oral or written and whether
13 by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived
14 except in writing.

15 87. Notice to Class Members. Counsel for Class Representative and Defendant agree
16 that it is impossible or impractical to have each member of the Class execute this Agreement. The
17 Notice of Proposed Settlement, attached as **Exhibit A** hereto, will advise all Class Members of the
18 binding nature of the release, and the release shall have the same force and effect as if this
19 Agreement were executed by each member of the Class.

20 88. No Modification by Extrinsic Evidence. With respect to the subject matter hereof,
21 except this Agreement, Class Representative and Defendant acknowledge that no representations,
22 statements, or promises made by the other party, or by their respective agents or attorneys, have
23 been relied upon in entering into this Agreement. Class Representative and Defendant explicitly
24 recognize California Civil Code section 1625 and California Code of Civil Procedure section
25 1856(a), which provide that a written agreement is to be construed according to its terms, and may
26 not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written
27 representations or terms shall modify, vary, or contradict the terms of this Agreement.
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1 89. Modification in Writing. This Agreement may be modified or amended only if such
2 modification or amendment is agreed to in writing and signed by the duly authorized
3 representatives of the parties hereto, and approved by the Court which writing shall expressly state
4 the intent of the parties to modify this Agreement.

5 90. Enforceability. If the Court finds any material provision of this Agreement to be
6 unenforceable or invalid, then this Agreement shall become voidable. Notwithstanding any other
7 provision of this Agreement, no distributions shall be required until the enforceability or validity
8 of this Agreement has been finally determined.

9 91. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit
10 of the respective heirs, assigns, executors, administrators, successors, subsidiaries, divisions and
11 affiliated corporations and partnerships, past and present, and trustees, directors, officers,
12 shareholders, partners, agents and employees, past and present, of Class Representative,
13 Participating Class Members, Defendant, and the Released Parties.

14 92. Counterparts. This Agreement may be executed in counterparts and/or electronic
15 and/or facsimile signatures, and when each party has signed and delivered at least one such
16 counterpart, electronic and/or facsimile signature, each said signature shall be deemed an original,
17 and, when taken together with other signed counterparts, shall constitute one Joint Stipulation,
18 which shall be binding upon and effective as to all parties.

19 93. Governing Law. This Agreement shall be subject to, governed by, construed,
20 enforced and administered in accordance with the laws of the State of California, both in its
21 procedural and substantive aspects.

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

26 IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date(s)
27
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1 indicated on the lines below.

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3 Dated: July 20, 2021

Ghufran Khan, on behalf of himself and all others similarly situated

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5

By: DocuSigned by:
Ghufran Khan
Ghufran Khan

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8 Dated: July __, 2021

By: _____
Atlas Air, Inc.

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11 APPROVED AS TO FORM:

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13 Dated: July 20, 2021

WORK LAWYERS, P.C.

14

By: DocuSigned by:
Justin Lo
JUSTIN LO
Attorney for Plaintiff

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17 APPROVED AS TO FORM:

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19 Dated: July __, 2021

LITTLER MENDELSON, P.C.

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By: _____
REBECCA ARAGON
DAVID S. MAOZ
Attorneys for Defendant

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