

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE
FOR FINAL APPROVAL HEARING**

Koutny v. PAE Aviation and Technical Services, LLC, et al.
(County of Kings, California Superior Court Case No. 21C-0106)

As a current or former non-exempt, hourly-paid California employee of PAE Aviation and Technical Services, LLC, PAE Applied Technologies, LLC, PAE National Security Solutions, LLC, PAE Shared Services, LLC, PAE Professional Services, LLC, or PAE Government Services, Inc., you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class Action Settlement because the records of PAE Aviation and Technical Services, LLC, PAE Applied Technologies, LLC, PAE National Security Solutions, LLC, PAE Shared Services, LLC, PAE Professional Services, LLC, PAE Government Services, Inc. (collectively, “Defendants”) show you are a “Class Member,” and therefore entitled to a payment from this class action Settlement (the “Settlement”). Class Members are defined as all persons who currently work or formerly worked for the Defendants as non-exempt, hourly-paid employees in the State of California at any time between April 6, 2017 through September 20, 2022 (“Class Period”), unless Defendants elect to shorten the Class period pursuant to the Settlement Agreement.

- The Settlement resolves a class action lawsuit captioned *Koutny v. PAE Aviation and Technical Services, LLC, et al.*, pending in the Superior Court of California for the County of Kings, Case Number 21C-0106 (the “Lawsuit”). The Operative Complaint in the Lawsuit alleges that Defendants: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to pay all wages due upon separation from employment; (6) failed to issue accurate and compliant wage statements; (7) failed to indemnify necessary expenditures or losses; and (8) engaged in unfair competition. Based on these and other alleged Labor Code violations, Plaintiff also seeks penalties under the California Labor Code Private Attorneys General Act (“PAGA”).
- On December 21, 2022, the Kings County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendants vigorously deny the claims in the Lawsuit and contend that at all times they fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the Settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. However, if you worked from April 6, 2020 through the end of the Class Period, (“PAGA Period”) as a non-exempt, hourly-paid employee of Defendants, then you will still be deemed an “Aggrieved Employee” and you will still receive your share of the proceeds available from the Settlement of the PAGA Released Claims, defined below, (your “Individual PAGA Payment”) even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, Phoenix Settlement Administrators, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for May 24, 2023 at 10:30 a.m. in Department 8 of the Kings County Superior Court, located at 1640 Kings County Drive, Hanford, CA 93230. You may not object to the Individual PAGA Payment.

Questions? Contact the Settlement Administrator toll free at (800) 523-5773

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 10:30 a.m. on May 24, 2023, in the Kings County Superior Court, located at 1640 Kings County Drive, Hanford, CA 93230, Department 8. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendants' records show that you currently work, or previously worked, for Defendants as a non-exempt, hourly-paid employee in the State of California at some point during the Class Period. You were sent this Notice of Class Action Settlement because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the Settlement and any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

What Is This Case About?

Joseph Koutny was a non-exempt, hourly-paid employee of Defendants. He is the "Plaintiff" in this case and is suing on behalf of himself and Class Members for Defendants' alleged failure to pay overtime wages, failure to pay minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to pay all wages due upon separation from employment, failure to issue accurate and compliant wage statements, failure to indemnify necessary expenditures or losses, and engaging in unfair competition.

Based on these and other alleged Labor Code violations, Plaintiff also seeks to recover penalties under the California Labor Code Private Attorneys General Act.

Defendants deny all of the allegations made by Plaintiff and deny that they violated any law. The Court has made no ruling on the merits of Plaintiff's claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiff and Defendants have agreed to settle this case on behalf of themselves and Class Members and Aggrieved Employees for the Gross Settlement Amount of \$5,500,000.00, unless increased pursuant to the Settlement Agreement. The Gross Settlement includes: (1) Administration Costs up to \$26,500.00; (2) a service payment of up to \$7,500.00 to Plaintiff Joseph Koutny for his time and effort in pursuing this case and in exchange for a broader release of claims against Defendants; (3) up to 35% of the Gross Settlement Amount in attorneys' fees which, unless escalated pursuant to the Settlement Agreement, amounts to \$1,925,000.00; (4) up to \$25,000.00 in litigation costs to Class Counsel, according to proof; and (5) payment allocated to PAGA penalties in the amount of \$250,000.00 of the Gross Settlement Amount toward PAGA penalties (the "PAGA Payment"). Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA, or \$187,500.00, will be paid to the California Labor and Workforce Development Agency (the "LWDA") and twenty-five percent (25%), or \$62,500.00, will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than \$3,266,000.00 will be available for distribution to Class Members ("Net Settlement Amount").

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Class Members in non-exempt, hourly-paid positions for Defendants in California during the Class Period ("Eligible Workweeks"). Specifically, Class Members' payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (Individual's Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net Settlement Amount. In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the \$62,500.00 allocated as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period.

Defendants' records indicate that you worked [Eligible Workweeks] Workweeks as a non-exempt, hourly-paid employee in California during the Class Period and [Eligible Workweeks] Workweeks during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award] and your estimated payment as an Aggrieved Employee would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than March 6, 2023. Please include any documentation you have that you contend supports your dispute. However, to the extent you are eligible to receive a portion of the PAGA Payment, you will still receive that amount whether or not you submit a request for exclusion from the Class. This is because, if the Court approves the PAGA Payment, there is no statutory right to opt out, object, or otherwise exclude yourself from the PAGA Payment and the associated release of claims and rights under PAGA.

Tax Reporting

One Hundred Percent (100%) of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. Twenty Percent (20%) of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and Eighty Percent (80%) will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Your Options Under the Settlement

Option 1 – *Do Nothing and Receive Your Payment*

If you do not opt out from the Settlement, you are automatically entitled to your Individual Settlement Payment, including your Individual PAGA Payment if you are an Aggrieved Employee, and you will be bound by the entire release in the Settlement. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the “Released Parties” of all “Released Claims” he or she may have or had upon final approval of this Settlement and payment by Defendants to the Settlement Administrator.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Defendants to the Settlement Administrator of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, Plaintiff and all Participating Class Members release any and all claims against the Released Parties alleged or that could have been alleged in the Operative Complaint filed in the Action based on the facts alleged therein, which arose during the Class Period, including but not limited to (1) all claims for failure to pay overtime wages; (2) all claims for failure to pay minimum wages; (3) all claims for failure to provide meal periods or compensation in lieu thereof; (4) all claims for failure to provide rest periods or compensation in lieu thereof; (5) all claims for failure to pay all wages due upon separation from employment; (6) all claims for failure to issue accurate and compliant wage statements; (7) all claims for failure to indemnify necessary expenditures or losses; and (8) all claims asserted through California Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the Operative Complaint (the “Class Released Claims”).

For Aggrieved Employees, and, to the extent permitted by law, the State of California, the release includes for the duration of the PAGA Period, all claims asserted in the PAGA Notice and thereafter alleged in the Operative Complaint for PAGA civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699, *et seq.*, in connection with alleged violations of Labor Code sections 96, 98.6, 200, 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 232, 232.5, 246, *et seq.*, 432, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 1198.5, 2699, 2802, and 2810.5, among others, regardless of whether Aggrieved Employees opt out of the Settlement Class (the “PAGA Released Claims”). The Class Released Claims and PAGA Released Claims shall be referred to herein as the “Released Claims”.

All Aggrieved Employees, the LWDA, and State of California shall release claims arising under PAGA for the PAGA Period as set forth in the PAGA Released Claims. The PAGA Released Claims shall be effective and binding for all Aggrieved Employees regardless of their decision to participate in the class settlement.

“Released Parties” means a) Defendants and each and all past or present owners, partners, parent companies, subsidiaries, divisions, related or affiliated companies (regardless of whether such partners, parent companies, subsidiaries, divisions, related or affiliated companies are individuals, corporations, partnerships, limited partnerships, limited liability companies, or other forms of entity) of Defendants; (b) each and all of the predecessor or successor entities of any of those entities identified in subparagraph (a); (c) any other individuals or entities of any kind including, but not limited to, any payroll

companies, which have been or could be alleged to be in any manner responsible (whether on an alter ego, joint employer, integrated enterprise, or any other theory) for any violations described under the Released Claims and occurring as a result of employment with Defendants, including Defense Counsel of record in the Action; and (d) all past and present directors, officers, representatives, insurers, agents, shareholders, partners, members, lawyers, successors and assigns, and employees of any of the individuals or entities identified in subparagraphs (a), (b), or (c).

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the class settlement, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written “Request for Exclusion” must include (1) your name, (2) your Social Security Number, (3) your signature, and (4) the following statement: “Please exclude me from the Settlement Class in the *Koutny v. PAE Aviation and Technical Services, LLC, et al.* matter” or any statement of similar meaning standing for the proposition that the Class Member does not wish to participate in the Settlement. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail to the address below.

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863

Your written request for exclusion must be mailed to the Administrator by no later than March 6, 2023. A Class Member who does not submit a timely and valid Request for Exclusion from the Settlement will be deemed a Participating Class Member and will be bound by all terms of the Settlement if the Settlement is granted final approval by the Court.

The proposed settlement includes the settlement of the PAGA Released Claims. To the extent you are eligible to receive a portion of the PAGA Payment, you will still receive that amount whether or not you submit a Request for Exclusion. This is because, if the Court approves the PAGA Payment, there is no statutory right to opt out, object, or otherwise exclude yourself from the PAGA Payment and the associated release of claims and rights under PAGA. A request for exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you may submit an objection in writing stating why you object to the Settlement. Your written objection must provide (1) your name, (2) your address, (3) the last four digits of your Social Security Number, (4) your signature, (5) a statement of whether you plan to appear at the Final Approval Hearing, and (6) a statement of the reason(s) why you believe that the Court should not approve the Settlement, along with whatever legal authority, if in support of your written objection. Your written objection must be mailed to the Administrator no later than March 6, 2023. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share. Please note that you cannot both object to the Settlement and opt out of the Settlement. Accordingly, if you opt out of the Settlement and object to the Settlement, then your objection will be overruled and your decision to opt out will control. Please also note that Class Members who worked during the PAGA Period are not permitted to object to the PAGA Released Claims or any portion of the Settlement pertaining to the PAGA Released Claims.

Even if you don’t submit a written objection, you may appear at the Final Approval Hearing and provide a verbal objection before the Court.

Final Approval Hearing

You may, if you wish, appear at the Final Approval Hearing set for May 24, 2023 at 10:30 a.m. in the Department 8 of the Kings County Superior Court, located at 1640 Kings County Drive, Hanford, CA 93230, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may also retain an attorney to represent you at the Hearing at your own expense. You may also appear at the Final Approval Hearing via audio thru Court Calls. The guidelines are posted at <https://www.kings.courts.ca.gov/general-information/court-calls>.

If you intend to appear in person for the Final Approval Hearing, you should check the Court’s current social distancing guidelines at: <https://www.kings.courts.ca.gov/>. Under current guidelines, while wearing of face mask is not required to enter the courthouse, it is still recommended.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at (800) 523-5773 or Class Counsel, whose information appears below:

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You may also visit the Settlement Administrator's website at <https://www.phoenixclassaction.com/koutney-v-pae-aviation-and-technical-services/> to gain access to key documents in this case, including the Settlement Agreement, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Department 8 of Kings County Superior Court, located at 1640 Kings County Drive, Hanford, CA 93230, during regular business hours of each court day. You should check the Court's current social distancing guidelines at: <https://www.kings.courts.ca.gov/>. Under current guidelines, while wearing of face mask is not required to enter the courthouse, it is still recommended.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
DEFENDANTS, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.**