

EXHIBIT 1

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14
15 UNITED STATES DISTRICT COURT
16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17 REYNALDO LOPEZ et al.,

18 Plaintiffs,

19 vs.

20 DELTA AIR LINES, INC., a Georgia
21 corporation; and DOES 1 through 50,
inclusive,

22 Defendants.
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Case No.: 2:15-cv-07302-SVW-SS

[Assigned to Hon. Stephen V. Wilson]

CLASS ACTION

STIPULATION OF SETTLEMENT

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1 This Stipulation of Settlement (“Stipulation” or “Settlement”) is made and
2 entered into, as of the date set forth below, between Plaintiffs Karl Armstrong,
3 Eunice Delgadillo, Reynaldo Lopez, Umberto Mendoza, LaDona Narr, and Aveia
4 Tautolo (“Plaintiffs”) as individuals, and also for Narr and Armstrong as
5 representatives of the proposed Class described herein, and Defendant Delta Air
6 Lines, Inc. (“Defendant”) (collectively, the “Parties”).

7 **1. THE CONDITIONAL NATURE OF THIS STIPULATION**

8 1.1 This Stipulation and all associated exhibits or attachments are made
9 for the sole purpose of settling the above-captioned action. This Stipulation and the
10 Settlement it evidences are made in compromise of disputed claims. Because this
11 action was pled as a class and representative action, this Settlement must receive
12 preliminary and final approval by the Court. Accordingly, the Parties enter into
13 this Stipulation and associated Settlement on a conditional basis. If the Court does
14 not enter the Judgment, the proposed Judgment does not become a Final Judgment
15 for any reason, and/or the Effective Date does not occur, this Stipulation shall be
16 deemed null and void ab initio; it shall be of no force or effect whatsoever; it shall
17 not be referred to or utilized for any purpose whatsoever; and the negotiation, terms
18 and entry of the Stipulation shall remain subject to the provisions of Federal Rule
19 of Evidence 408, California Evidence Code sections 1119 and 1152, and any other
20 analogous rules of evidence that are applicable, as shall the Memorandum of
21 Understanding signed by the Parties on March 30, 2017.

22 1.2 Defendant denies all claims as to liability, damages, penalties, interest,
23 fees, restitution, injunctive relief and all other forms of relief as well as the class
24 and representative allegations asserted in the Action, as that term is defined below.
25 Defendant has agreed to resolve the Action via this Stipulation, but to the extent
26 this Stipulation is deemed void or the Effective Date does not occur, Defendant
27 does not waive, but rather expressly reserves, all rights to challenge all such claims
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1 and allegations in the Action upon all procedural, merit, and factual grounds,
2 including, without limitation, the ability to challenge class treatment on any
3 grounds, as well as asserting any and all other privileges and potential defenses.
4 Plaintiffs agree not to argue or present any argument, and hereby waive any
5 argument that, based on this Stipulation, Defendant cannot contest class
6 certification on any grounds whatsoever, or assert any and all other privileges or
7 potential defenses if this Action were to proceed. Similarly, to the extent this
8 Stipulation is deemed void or the Effective Date does not occur, Plaintiffs do not
9 waive, but rather expressly reserve, all rights to move and argue for class
10 certification and all merits determinations in their favor and in favor of the class.
11 To the extent this Stipulation is deemed void or the Effective Date does not occur,
12 Defendant agrees not to argue or present any argument, and hereby waives any
13 argument that, based on this Stipulation, Plaintiffs cannot seek certification or
14 assert any arguments in support of the merits of their claims.

15 **2. DEFINITIONS**

16 The following terms, when used in this Stipulation of Settlement, shall have
17 the following meanings:

18 2.1 “Action” means the above captioned action, identified as *Reynaldo*
19 *Lopez et al. v. Delta Air Lines, Inc.*, United States District Court, Central District of
20 California, Case No. 2:15-cv-07302-SVW-SS.

21 2.2 “CAFA Notice” means notice of the proposed settlement to be
22 provided to appropriate state and federal officials as set forth in the Class Action
23 Fairness Act, 28 U.S.C. §1715.

24 2.3 “Settlement Administrator” means KCC, LLC.

25 2.4 “Class” means all persons employed by Defendant in non-exempt
26 positions in California (except flight attendants and pilots) at any time from July 1,
27 2011, through June 30, 2017, or the Preliminary Approval Date, whichever is first,
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1 excluding persons who were members of the settlement class in *Andrew Bell v.*
2 *Delta Air Lines, Inc.*, Case No. 4:13-cv-01199-YGR, USDC, Northern District of
3 California, and who worked no shifts for Defendant after November 20, 2014, the
4 effective release date of claims for the *Bell* settlement class.

5 2.5 “Class Counsel” means, collectively, Matern Law Group, PC and
6 Altshuler Berzon LLP.

7 2.6 “Class Member” means any individual who is a member of the Class.

8 2.7 “Class Period” means the period of time from July 1, 2011, through
9 June 30, 2017, or the Preliminary Approval Date, whichever is first.

10 2.8 “Class Representatives” mean Plaintiffs LaDona Narr and Karl
11 Armstrong.

12 2.9 “Class Representatives Released Claims” means any and all claims,
13 obligations, demands, actions, rights, causes of action, and liabilities against the
14 Releasees, of whatever kind and nature, character, and description, whether in law
15 or equity, whether sounding in tort, contract, federal, state and/or local law, statute,
16 ordinance, regulation, common law, or other source of law or contract, whether
17 known or unknown, and whether anticipated or unanticipated, including all
18 unknown claims covered by California Civil Code section 1542, as quoted in
19 Section 5.8.4 below, that could be or are asserted based on the Class
20 Representatives’ employment by or termination from Defendant, arising at any
21 time up to and including the Preliminary Approval Date, for any type of relief,
22 including, without limitation, claims for minimum or overtime wages, premium
23 pay, business expenses, other damages, penalties (including, but not limited to,
24 waiting time penalties), liquidated damages, punitive damages, interest, attorneys’
25 fees, litigation and other costs, expenses, restitution, and equitable and declaratory
26 relief. The Class Representatives Released Claims include, but are not limited to,
27 the Released Claims, as well as any other claims under any provision of the FLSA,
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1 the California Labor Code, any applicable California Industrial Welfare
2 Commission Wage Order, or any city or county Living Wage Ordinances.

3 2.10 “Court” or “District Court” shall mean the U.S. District Court, Central
4 District of California.

5 2.11 “Database” means an electronic list of each Class Member, including
6 each person’s name, last known address, social security number, number of eligible
7 workweeks during the Class Period, and status as a current or former employee.

8 2.12 “Defendant’s Counsel” means Morgan, Lewis & Bockius LLP.

9 2.13 “Effective Date” means the date on which the Judgment becomes a
10 Final Judgment.

11 2.14 “Final Approval Date” means the date on which the Court enters the
12 Judgment.

13 2.15 “Final Approval Hearing” means a hearing set by the Court, to take
14 place on a date after the 90 day period for CAFA notice has run, for the purpose of
15 (i) determining the fairness, adequacy, and reasonableness of the Stipulation terms
16 and associated Settlement pursuant to class action procedures and requirements; (ii)
17 determining the amount of the award of attorneys’ fees and costs to Class Counsel;
18 (iii) determining the amount of the Service Payments to the Class Representatives;
19 and (iv) entering the Judgment.

20 2.16 “Final Judgment” means the latest of the following dates: (i) if no
21 Class Member files an objection to the Settlement, then the date the Court enters
22 Judgment; (ii) if a Class Member files an objection to the Settlement that is not
23 withdrawn, then the date immediately after the applicable date for seeking appellate
24 review of the District Court’s order of final approval of the Settlement has expired,
25 assuming no appeal or request for review is filed; and (iii) if a Class Member files
26 an appeal or petition for review following disposition of an objection, the date of
27 the final resolution of that appeal or request for review (including any requests for
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1 rehearing and/or petitions for writ of certiorari) resulting in the final judicial
2 approval of the Settlement. Notwithstanding the foregoing, any proceeding, order,
3 or appeal pertaining solely to the award of attorneys' fees, attorneys' costs, or any
4 Service Payment shall not by itself in any way delay or preclude the Judgment from
5 becoming a Final Judgment or the Settlement from becoming "Effective."

6 2.17 "Second Amended Complaint" means the Second Amended
7 Complaint filed on October 26, 2016.

8 2.18 "FLSA" means the Fair Labor Standards Act.

9 2.19 "Gross Settlement Amount" is the sum of Four Million Two Hundred
10 Fifty Thousand Dollars and Zero Cents (\$4,250,000.00), which represents the
11 amount payable in this Settlement by Defendant, which includes, without
12 limitation, attorneys' fees and costs, costs of settlement administration by the
13 Settlement Administrator, Service Payments to the Class Representatives, payment
14 to the LWDA in the amount of One Hundred Thousand Dollars and Zero Cents
15 (\$100,000.00) for PAGA penalties, and the amounts payable to Participating Class
16 Members. This amount does not, however, include Defendant's share of payroll
17 taxes, which shall remain Defendant's responsibility.

18 2.20 "Judgment" means the judgment and order of final approval to be
19 executed and filed by the Court pursuant to this Stipulation following the Final
20 Approval Hearing.

21 2.21 "LWDA" means the State of California Labor & Workforce
22 Development Agency.

23 2.22 "Net Settlement Amount" means the Gross Settlement Amount less
24 attorneys' fees and costs, costs of settlement administration by the Settlement
25 Administrator, Service Payments to the Class Representatives, and payment to the
26 LWDA in the amount of One Hundred Thousand Dollars and Zero Cents
27 (\$100,000.00) for PAGA penalties.

2.23 “Non-Participating Class Member” means a Class Member who submits a valid and timely Opt-Out Request to be excluded from the Settlement.

2.24 “Notice of Settlement” shall mean the document attached hereto as **Exhibit A.**

2.25 “Opt-Out Request” means a signed written request to be excluded from the Settlement.

2.26 “PAGA” means the California Labor Code Private Attorneys General Act.

2.27 “Participating Class Member” means a Class Member who does not submit a valid and timely Opt-Out Request to be excluded from the Settlement.

2.28 “Preliminary Approval Date” means the date the Court enters the Preliminary Approval Order.

2.29 “Preliminary Approval Order” means an order of the Court preliminarily approving the Stipulation and the exhibits thereto, and providing for notice to the Class, an opportunity to opt out of the Class, an opportunity to submit timely objections to the settlement, and setting a hearing on the final fairness of the terms of settlement, including approval of the Service Payments and attorneys’ fees and costs. A copy of the Parties’ proposed Preliminary Approval Order is attached hereto as **Exhibit B.**

2.30 “Qualified Settlement Fund” means a qualified settlement fund under Section 468B of the Internal Revenue Code established by the Settlement Administrator for the purpose of administering this Settlement.

2.31 “Released Claims,” as to each member of the Settlement Class, shall mean any and all claims against Releasees that were or could have been pled based on the allegations in the Second Amended Complaint, including, but not limited to, claims based on meal breaks, rest breaks, hours worked, minimum wage, overtime, pay stubs, final pay, timing of pay, record retention, expense reimbursement, unfair

1 competition, and statutory and civil penalties, that accrued or accrue through June
2 30, 2017 or the date of the Preliminary Approval Order, whichever occurs first,
3 whether based on California's Wage Orders, the California Labor Code, including,
4 but not limited to, Sections 201, 202, 203, 204, 210, 218.5, 218.6, 223, 225.5, 226,
5 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1198, 2802, and 2698 *et*
6 *seq.* (PAGA), other penalties, related tort, contract, and punitive damages claims,
7 claims for interest, attorneys' fees, litigation and other costs, expenses, restitution,
8 and equitable and declaratory relief, violations of California Business &
9 Professions Code § 17200 *et seq.* and/or 29 U.S.C. § 207.1.

10 2.32 "Releasees" mean Defendant and each of its past or present direct
11 and/or indirect, officers, directors, managers, employees, agents, representatives,
12 attorneys, insurers, partners, investors, shareholders, members, administrators,
13 parent companies, subsidiaries, affiliates, divisions, predecessors, successors,
14 and/or assigns, in their personal, individual, official, and/or corporate capacities.

15 2.33 "Service Payments" means the amounts approved by the Court to be
16 paid to the Class Representatives in recognition of the Class Representatives'
17 efforts in coming forward as Class Representatives and participating in the Action,
18 including responding to discovery and attending their depositions.

19 2.34 "Settlement Administration Costs" means the fees and expenses
20 reasonably incurred by the Settlement Administrator as a result of the procedures
21 and processes expressly required by this Stipulation.

22 2.35 "Settlement Class" shall mean all Class Members who do not timely
23 send a signed valid Opt-Out Request that is received by the Settlement
24 Administrator.

25 2.36 "Settlement Payment" means the amount due each Participating Class
26 Member under the terms of this Stipulation.

2.37 “Stipulation” or “Settlement” shall mean this Joint Motion/Stipulation of Settlement, signed by all the Parties and their counsel.

3. DESCRIPTION OF THE LITIGATION

3.1 Plaintiffs Eunice Delgadillo, Reynaldo Lopez, Umberto Mendoza, and Aveia Tautolo initiated the Action in Los Angeles Superior Court on July 1, 2015. Defendant subsequently removed the Action to the United States District Court, Central District of California on September 17, 2015. Plaintiffs brought the Action on behalf of themselves and the following individuals: all current and former non-exempt employees of Defendant in California from July 1, 2011 to the present. The Action alleges eleven claims against Defendant: (1) failure to provide required meal periods; (2) failure to provide required rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to timely pay wages; (6) failure to pay all wages due to discharged and quitting employees; (7) failure to maintain required records; (8) failure to furnish accurate, itemized wage statements; (9) failure to indemnify employees for necessary expenditures incurred in discharge of duties; (10) unfair business practices under California Bus. & Prof. Code §§ 17200-17208; and (11) civil penalties under Labor Code §§ 2699 *et seq.* The Action asserts claims for unpaid wages, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys’ fees, and costs. Prior to filing this Action, Plaintiffs sent notice of alleged Labor Code violations to the LWDA pursuant to Labor Code §2699.3(1). On January 21, 2016, LaDona Narr joined the Action as a named Plaintiff.

3.2 Through discovery occurring over approximately a one-year period, the Parties exchanged information about the claims and defenses in the Action, including the applicable policies, class data, Plaintiffs’ depositions, depositions of several managers, expert depositions, and depositions of class members.

1 3.3 On May 16, 2016, Plaintiffs Eunice Delgadillo, Reynaldo Lopez,
2 Umberto Mendoza, LaDona Narr and Aveia Tautolo moved for class certification.
3 On September 14, 2016, the Court ruled that Plaintiffs Delgadillo, Lopez,
4 Mendoza, and Tautolo were inadequate class representatives because of a conflict
5 of interest. On October 26, 2016, Karl Armstrong joined the Action as a named
6 Plaintiff and joined in the motion for class certification. On December 16, 2016,
7 the Court granted in part and denied in part Plaintiff Narr and Armstrong's motion
8 for class certification. The Court certified a Federal Rules of Civil Procedure Rule
9 23(c)(4) issue class to determine Delta's liability, if any, on Plaintiffs' overtime
10 claim based on a regular rate theory.

11 3.4 On March 10, 2017, the Parties attended a full-day mediation
12 conducted by an experienced wage and hour mediator, Mark Rudy of Rudy,
13 Exelrod, Zieff & Lowe, LLP, and continued to engage in settlement discussions
14 thereafter. On March 30, 2017, the Parties executed a Memorandum of
15 Understanding to resolve all claims in this Action. At all times, the Parties'
16 settlement negotiations have been non-collusive, adversarial, and at arm's length.

17 4. **POSITION OF THE PARTIES**

18 4.1 As set forth in the Second Amended Complaint, Plaintiffs contend that
19 Defendant failed to provide its nonexempt employees in California with meal and
20 rest breaks, failed to pay all minimum and overtime wages due, did not pay wages
21 in a timely manner, did not pay all wages due upon termination, did not maintain
22 accurate records, did not provide accurate, itemized wage statements, and did not
23 provide expense reimbursement for necessary business expenses. Plaintiffs also
24 contend that their claims are suitable to meet the class certification requirements of
25 Rule 23 and may be pursued on a representative basis under PAGA.

26 4.2 Defendant contends that its wage and hour policies, including those
27 regarding payment for time worked, overtime pay, meal breaks, and rest breaks, are
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1 lawful and have been lawful throughout the Class Period. Defendant further
2 contends that Plaintiffs' claims do not meet the requirements for class certification
3 under Rule 23 and may not be pursued on a representative basis under PAGA.

4 4.3 Each party vigorously disputes the other party's contentions, but these
5 contentions have taken into account in assessing the risks of litigation and the
6 benefits of reaching a settlement.

7 4.4 The Parties agree that the above-described discovery, exchange of
8 information, and evaluation are sufficient to assess the merits of the respective
9 Parties' positions and to compromise the claims on a fair and equitable basis.
10 Based on their own independent investigations and evaluations, Class Counsel is of
11 the opinion that the Settlement with Defendant for the consideration and under the
12 terms set forth below, considering the strengths and weaknesses of the claims on
13 the merits is fair, reasonable, and adequate in light of all known facts and
14 circumstances, and is in the best interests of the Class.

15 4.5 Class Counsel has also weighed the monetary benefit under the
16 Settlement to the Class against the expenses and length of continued proceedings
17 that would be necessary to prosecute the Action against Defendant through trial and
18 possible appeals. Class Counsel has also taken into account the uncertain outcome
19 and risk of any litigation, especially in complex actions such as class actions, as
20 well as the difficulties and delay inherent in such litigation. Therefore, Class
21 Counsel has determined that the settlement set forth in this Stipulation is in the best
22 interests of the Class.

23 **5. OPERATIVE TERMS OF SETTLEMENT**

24 The Parties agree as follows:

25 **5.1 Class Certification for Settlement Purposes**

26 5.1.1 The Parties stipulate, for settlement purposes only, to the
27 conditional certification by the Court of the Class, as defined above.

1 5.1.2 If, for any reason, the Court does not approve this Stipulation,
2 fails to enter the Judgment, or if this Stipulation is terminated for any other reason,
3 no class—other than the class certified in the Court’s December 16, 2016 Order—
4 will have been certified and Defendant shall retain the right to dispute the
5 appropriateness of class certification. This Stipulation shall not be construed as an
6 admission that Plaintiffs could meet any of the class action requirements contained
7 in Rule 23 of the Federal Rules of Civil Procedure.

8 5.2 Gross Settlement Amount

9 5.2.1 Defendant shall pay Four Million Two Hundred Fifty Thousand
10 Dollars and Zero Cents (\$4,250,000.00) as the Gross Settlement Amount to resolve
11 the Action on a class-wide basis, as described more fully below. The Gross
12 Settlement Amount includes the Settlement Administration Costs estimated at
13 approximately Forty-Five Thousand Dollars and Zero Cents (\$45,000.00),
14 reasonable attorneys’ fees (not to exceed One Million Four-Hundred Sixteen
15 Thousand Six Hundred Sixty-Seven Dollars and Zero Cents (\$1,416,667.00)) plus
16 costs as determined by the Court for Class Counsel, the Service Payments to the
17 Class Representatives (not to exceed Ten Thousand Dollars and Zero Cents
18 (\$10,000.00) for each Class Representative), and a One Hundred Thousand Dollars
19 and Zero Cents (\$100,000.00) payment to the LWDA for PAGA penalties, with the
20 remainder to pay the Settlement Payments to Participating Class Members pursuant
21 to Section 5.7 below.

22 5.2.2 In addition, from April to June 2017, Defendant expects to hire
23 approximately 300 non-exempt employees in California, but could hire less or
24 could hire more. Many of these new hires will only have worked one or two pay
25 periods during the Class period. Notwithstanding this fact, in the event that the
26 total number of Class Members exceeds 3,800, then Defendant agrees to
27 supplement the settlement fund as follows: For each Class Member over the 3,800
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1 total, Defendant will supplement the settlement fund by 20% of the settlement
2 payment that would be paid to a Class Member from the “Net Settlement Amount,”
3 assuming an equally apportioned distribution among all Class Members and a class
4 size of 3,800. The Parties agree that any supplementation of the settlement fund
5 will not increase the potential award of attorney fees to Class Counsel, which is set
6 at a maximum of up to 33-1/3% of \$4,250,000.00.

7 5.3 Service Payments to Class Representatives

8 5.3.1 The Service Payments to the Class Representatives will, subject
9 to Court approval, be paid by Defendant in an amount not to exceed Ten Thousand
10 Dollars and Zero Cents (\$10,000.00) for each Class Representative from the Gross
11 Settlement Amount for service and assistance to the Class. Defendant will not
12 oppose the Class Representatives’ request for Service Payments not to exceed this
13 amount. The Service Payments to the Class Representatives will be in addition to
14 their Settlement Payments.

15 5.3.2 Because the Service Payments represent payment to the Class
16 Representatives for service to the Class Members, payroll taxes will not be
17 withheld from the Service Payments. The Settlement Administrator will report the
18 Service Payments on a Form 1099, and any other required tax forms, and will
19 provide them to the Class Representatives and to the pertinent taxing authorities as
20 required by law. The Class Representatives assume full responsibility for paying
21 all taxes, federal and state, if any, due as a result of the Service Payments and agree
22 to indemnify Defendant for any such taxes owed by them.

23 5.4 Attorneys’ Fees and Costs

24 5.4.1 Class Counsel shall apply to the Court for an award of
25 reasonable attorneys’ fees not to exceed One Million Four-Hundred Sixteen
26 Thousand Six Hundred Sixty-Seven Dollars and Zero Cents (\$1,416,667.00) plus
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1 reasonable costs from the Gross Settlement Amount, which Defendant will not
2 oppose.

3 5.5 Submissions to the LWDA & Payment to the LWDA for PAGA

4 5.5.1 At the same time as they submit this Stipulation to the Court for
5 preliminary approval, Class Counsel shall submit a copy of this Stipulation to the
6 LWDA, as required by California Labor Code § 2698(l)(2).

7 5.5.2 Within ten (10) days following the Effective Date, Class
8 Counsel shall submit a copy of the Judgment entered by the Court to the LWDA, as
9 required by California Labor Code § 2698(l)(3).

10 5.5.3 Within fourteen (14) days following the Effective Date, the
11 Settlement Administrator shall pay One Hundred Thousand Dollars and Zero Cents
12 (\$100,000.00) from the Gross Settlement Amount to the LWDA as its share of the
13 settlement attributable to claims for civil penalties brought under PAGA.

14 5.6 Settlement Administrator

15 5.6.1 The Settlement Administration Costs shall be paid out of the
16 Gross Settlement Amount and not exceed Forty-Five Thousand Dollars and Zero
17 Cents (\$45,000.00). The Settlement Administration Costs shall include: all costs
18 of administering the Settlement, including, but not limited to, all tax document
19 preparation, custodial fees, and accounting fees incurred by the Settlement
20 Administrator; all costs and fees associated with preparing, issuing and mailing any
21 and all notices and other correspondence to Class Members and/or Participating
22 Class Members; all costs and fees associated with communicating with Class
23 Members, Class Counsel, and Defendant's Counsel; all costs and fees associated
24 with computing, processing, reviewing, and paying the Settlement Payments, and
25 resolving disputed claims; all costs and fees associated with calculating tax
26 withholdings and payroll taxes, making related payment to federal and state tax
27 authorities, and issuing tax forms relating to payments made under the Settlement;

1 all costs and fees associated with preparing any tax returns and any other filings
2 required by any governmental taxing authority or agency; all costs and fees
3 associated with preparing any other notices, reports, or filings to be prepared in the
4 course of administering Settlement Payments; maintaining a case website; and any
5 other costs and fees incurred and/or charged by the Settlement Administrator in
6 connection with the execution of its duties under this Stipulation.

7 5.6.2 The actions of the Settlement Administrator shall be governed
8 by the terms of this Stipulation and any orders of the Court.

9 5.6.3 In the event that either Defendant's Counsel or Class Counsel
10 take the position that the Settlement Administrator is not acting in accordance with
11 the terms of the Stipulation, such party shall meet and confer first with opposing
12 counsel and/or, if necessary with the Settlement Administrator to attempt to resolve
13 the issue. Should those efforts fail, counsel shall jointly approach the Court.

14 5.7 Calculation of Settlement Payments

15 5.7.1 The Net Settlement Amount shall be distributed to Class
16 Members as follows:

17 (a) Class Member distributions shall be divided among all Class
18 Members on a pro rata basis, based on the ratio of the number of
19 weeks worked by each Class Member during the Class Period, to the
20 total number of weeks worked by all Class Members during the Class
21 Period.

22 (b) Any payments which are not cashed after one-hundred eighty
23 (180) days following issuance shall be void. That amount shall go into
24 a pool of funds to be divided, pro rata, among all Class Members who
25 previously cashed their payment (unless the Parties agree that the
26 amount is less than \$35,000.00, in which case it shall be paid as a cy
27 pres award to the Los Angeles Center for Law and Justice).

1 5.7.2 The payments set forth in 5.7.1 shall be allocated for tax
2 reporting purposes as fifty percent (50%) wages and fifty percent (50%) interest
3 and penalties.

4 5.7.3 The Parties recognize that the Settlement Payments to be paid to
5 Class Members reflect the settlement of a dispute over claimed wages, interest,
6 penalties, and other alleged damages.

7 5.7.4 Only Participating Class Members shall be entitled to a
8 Settlement Payment. The Settlement Administrator shall withhold, from each
9 Participating Class Member's Settlement Payment, such Participating Class
10 Member's share of applicable payroll taxes. Participating Class Members will
11 receive an IRS Form W-2 for the fifty percent (50%) portion of the Settlement
12 Payment allocated as wages, and an IRS Form 1099 for the fifty percent (50%)
13 portion of the Settlement Payment allocated as interest and penalties. The
14 Settlement Administrator will issue Form W-2s and 1099s to the Participating
15 Class Members. Defendant's share of payroll taxes will remain Defendant's
16 responsibility. Participating Class Members will be responsible for paying personal
17 income taxes, if any, owed on the amounts they receive.

18 5.7.5 The Settlement Payments and the Service Payments will not
19 count or be counted for determination of eligibility for, or calculation of, any
20 employee benefits (for example, vacations, holiday pay, retirement plans, non-
21 qualified deferred compensation plans, etc.), or otherwise modify any eligibility
22 criteria under any employee pension benefit plan or employee welfare plan
23 sponsored by Releasees, unless otherwise required by law.

24 5.8 Releases

25 5.8.1 Upon the Effective Date, Plaintiffs and each member of the
26 Settlement Class shall be deemed to have fully, finally, and forever released the
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1 Releasees from all Released Claims through June 30, 2017 or the date of the
2 Preliminary Approval Order, whichever occurs first.

3 5.8.2 Upon Final Approval, the Class Representatives shall be
4 deemed to have fully, finally, and forever released Releasees from all Class
5 Representative Released Claims through the date of Final Approval.

6 5.8.3 In addition, the Class Representatives shall be deemed to have
7 expressly waived and relinquished, to the fullest extent permitted by law, the
8 provisions, rights, and benefits they may otherwise have had relating to the Class
9 Representative Released Claims pursuant to Section 1542 of the California Civil
10 Code, which provides as follows:

11 A general release does not extend to claims which the
12 creditor does not know or suspect to exist in his or her
13 favor at the time of executing the release, which if known
to him or her must have materially affected his or her
settlement with the debtor.

14 5.8.4 By this Settlement, Plaintiffs Delgadillo, Lopez, Mendoza, and
15 Tautolo shall release only the Released Claims. This Settlement does not release
16 Plaintiffs Delgadillo, Lopez, Mendoza, and Tautolo's claims in the separate action
17 entitled *Reynaldo Lopez, et al., v. Delta Airlines, Inc.*, C.D. Cal. Case No. 2:16-CV-
18 4497-DSF-AJW.

19 **6. NOTICE TO CLASS**

20 **6.1 Preliminary Approval**

21 6.1.1 Class Counsel and Defendant's Counsel shall jointly submit to
22 the Court a motion for preliminary approval by the Court. Plaintiff shall be
23 responsible for drafting and filing the motion for preliminary approval. Plaintiffs
24 will provide Defendant with a copy of the motion for preliminary approval at least
25 five (5) business days before the filing of the motion(s). The Court's preliminary
26 approval of this Settlement shall be embodied in a Preliminary Approval Order
27 certifying the Class, preliminarily approving the Settlement and providing for
28

1 Notice of Settlement to be mailed to the Class in the general form attached hereto
2 as **Exhibit A**, and which will also set the date for the Final Approval Hearing.

3 6.2 Notice

4 6.2.1 Within thirty (30) days after the Court issues the Preliminary
5 Approval Order, Defendant shall provide the Database to the Settlement
6 Administrator. The Database shall be based on Defendant's payroll, personnel,
7 and/or other business records and provided in a format acceptable to the Settlement
8 Administrator. The Settlement Administrator shall maintain the Database, and all
9 data contained with the Database, as private and confidential and shall not disclose
10 such data to any persons or entities other than Defendant's Counsel, except that
11 relevant information may be provided to Class Counsel to the extent necessary to
12 address a disputed claim or to respond to a specific inquiry from a Class Member.
13 This data is being supplied solely for purposes of the administration of the
14 Settlement and hence cannot be used by the Settlement Administrator or Class
15 Counsel for any purpose other than to administer the Settlement. The Parties agree
16 that the information in the Database will not be used to solicit Class Members to
17 file any claim, charge or complaint of any kind whatsoever against Defendant, or
18 for any other purpose other than to administer the Settlement as provided herein.
19 Upon receipt of the Database, the Settlement Administrator shall check with the
20 U.S. Postal Service National Change of Address Database and update any
21 addresses with any new information found regarding the location of Class
22 Members.

23 6.2.2 Class Members shall not be required to file claim forms.

24 6.2.3 The Settlement Administrator will mail via first class mail the
25 Notice of Settlement directly to the last known address of each Class Member
26 within fourteen (14) days of receiving the Database from Defendant. The
27 Settlement Administrator will also establish a settlement website which will
28

1 include the Settlement Agreement and a summary of the settlement terms within
2 fourteen (14) days of receiving the Database from Defendant.

3 6.2.4 Unless the Settlement Administrator receives the Notice of
4 Settlement returned as undeliverable from the U.S. Postal Service, the Notice
5 Packet shall be deemed received by the Class Member to whom it was sent.

6 6.2.5 In the event that after the first mailing of the Notice and prior to
7 the Final Approval Hearing, any Notice is returned to the Settlement Administrator
8 by the U.S. Postal Service with a forwarding address for the recipient, the
9 Settlement Administrator shall remail such notice to that forwarding address within
10 three (3) days.

11 6.2.6 In the event that after the first mailing of the Notice and prior to
12 the Final Approval Hearing, any Notice is returned to the Settlement Administrator
13 by the U.S. Postal Service without a forwarding address, the Settlement
14 Administrator shall perform a standard skip-trace using the Class Member's social
15 security number, address, and/or telephone number in an effort to ascertain the
16 current address and/or telephone number of the Class Member. If a current address
17 is ascertained, the Settlement Administrator shall remail the Notice within three (3)
18 days.

19 6.2.7 Class Members, except for Plaintiffs, will have forty-five (45)
20 days from the initial date of mailing the Notice of Settlement within which to opt-
21 out of the Settlement. Class Members who wish to exercise this option must timely
22 submit an Opt-Out Request to the Settlement Administrator. The Opt-Out Request
23 must be postmarked on or before forty-five (45) days from the date of mailing the
24 Notice. Class Members who do not timely submit an executed Opt-Out Request
25 shall be part of the Settlement Class and bound by the Settlement. Class Members
26 who timely submit an executed Opt-Out Request shall have no further role in the
27 Action, and for all purposes they shall be regarded as if they never were a party to
28

1 this Action or a Class Member, and thus they shall not be entitled to any payment
2 as a result of this Settlement and shall not be entitled to or permitted to assert an
3 objection to the Settlement. The Notice of Settlement shall advise Class Members
4 of their ability to opt-out of the Settlement and of the consequence thereof. Neither
5 the Parties nor any of their counsel will solicit any Class Member to submit an Opt-
6 Out Request.

7 6.2.8 An Opt-Out Request must be signed and dated to be valid.

8 6.2.9 Class Members will have forty-five (45) days from the date of
9 mailing the Notice of Settlement within which to file an objection to the
10 Settlement. Only Class Members who have not filed an Opt-Out Request may
11 object to the Settlement. To object, a Class Member must submit a written
12 objection to the Settlement Administrator. The Settlement Administrator shall
13 forward copies of any objections to Class Counsel and Defendant's Counsel within
14 three (3) days of receipt. Class Counsel shall submit copies of any objections
15 received to the Court in conjunction with the filing of the motion for Final
16 Approval of the settlement. The Parties and their counsel agree that they will not
17 solicit, encourage, counsel, or advise any individual to object to the Settlement.

18 6.2.10 Beginning two weeks after the date the Notices of Settlement
19 are mailed, the Settlement Administrator shall provide to Class Counsel and
20 Defendant's Counsel a weekly status report which will be cumulative, reflecting
21 the names and the number of Class Members who have filed Opt-Out Requests, as
22 well as information about how many Notices have been mailed to forwarding
23 addresses, returned as undeliverable, and/or remailed.

24 6.2.11 If more than five percent (5%) of the total number of Class
25 Members submit timely and valid Opt-Out Requests, then Defendant shall have the
26 option to void the Settlement in its sole discretion. To exercise this option,
27 Defendant must send written notification to Class Counsel within fourteen (14)

1 days of receiving a report from the Settlement Administrator informing Defendant
2 that the total number of timely and valid Opt-Out Requests is more than five
3 percent (5%). If Defendant chooses to exercise this option, the effect will be
4 precisely the same as if Final Judgment did not occur, as discussed herein, and all
5 Settlement Administration Costs incurred by the Settlement Administrator through
6 that date will be paid by Defendant.

7 6.2.12 At least seven (7) days prior to the deadline for filing the
8 motion for final approval of the Settlement, the Settlement Administrator shall
9 provide Class Counsel and Defendant's Counsel a declaration of due diligence and
10 proof of mailing with regard to the mailing of the Notice and the number of
11 completed Opt-Out Requests.

12 6.3 Final Approval

13 6.3.1 Prior to the Final Approval Hearing, Plaintiffs will move the
14 Court for entry of the Final Approval Order and Judgment (a) certifying the Class
15 for Settlement purposes only, (b) finding the Settlement fair, reasonable, adequate,
16 and in the best interests of the Class Members, (c) approving Class Counsel's
17 application for an award of attorneys' fees and costs, (d) approving the Class
18 Representatives' application for Service Payments, (e) approving the payment of
19 reasonable Settlement Administration Costs, (f) ordering the Parties to comply with
20 the terms of the Settlement Agreement; (g) retaining jurisdiction for the purpose of
21 enforcing the terms of the Settlement Agreement; and (h) except as provided in (f)
22 and (g), dismissing the action and permanently releasing and barring any further
23 Released Claims by Class Members who do not opt-out of the Settlement. The
24 Parties expressly agree that the Court will retain jurisdiction to enforce the terms of
25 the Settlement and the Final Approval Order. The Parties and their counsel shall
26 make all reasonable efforts to secure entry of the Judgment. The proposed Final
27 Approval Order and Judgment shall be lodged with the Court no later than seven
28

(7) days before the Final Approval Hearing. Plaintiffs shall be responsible for drafting and filing the motion for Final Approval and for entry of the Judgment. Plaintiffs will provide Defendant with a copy of the motion(s) at least five (5) business days before the filing of the motion(s).

6.3.2 Class Representatives and Class Counsel agree that they shall draft and file the necessary papers for approval of the Service Payments and attorneys' fees and costs. Defendant will not oppose the amount of the Service Payments and attorneys' fees and costs sought, as long as they are consistent with the Stipulation. If the Court (or any appellate court) awards less than the amount requested for attorneys' fees and/or costs, or less than the amount requested for the Service Payments for the Class Representatives, only the awarded amounts shall be paid and shall constitute satisfaction of the obligations of Defendant under this Stipulation. If Class Counsel file a timely appeal regarding the amount of Class Counsel fees and/or costs or Service Payments approved by the Court, the Settlement Administrator shall hold the difference between the amount requested and the amount awarded in escrow, in an interest-bearing account until such appeal has been fully resolved. Any unawarded amounts shall be added to the Net Settlement Amount for distribution to the Participating Class Members, pursuant to Section 6.4.

6.3.3 No later than fourteen (14) days prior to the Final Approval hearing, Defendant's Counsel shall file with the Court a declaration attesting that CAFA Notice has properly been served pursuant to 28 U.S.C. §1715.

6.3.4 If an appeal results in an order materially modifying, setting aside, or vacating any portion of the Stipulation, with the exception of any modification of the amount of attorneys' fees or costs to be paid to Class Counsel, or the amounts of the Service Payments paid to the Class Representatives, each party adversely impacted by the order shall have the absolute right, at its sole

1 discretion, to treat such order as an event permanently preventing the occurrence of
2 Final Judgment. To exercise this right, the party must inform the other party and
3 the Settlement Administrator, in writing, of the exercise of this right, within
4 fourteen (14) days of receiving notice of any order modifying, setting aside, or
5 vacating any portion of the Stipulation. Before either Party elects to exercise its
6 right to treat such order as an event permanently preventing the occurrence of Final
7 Judgment that Party must meet and confer in good faith with the other Party to
8 determine if an agreement can be reached modifying this Settlement to the mutual
9 satisfaction of the Parties.

10 6.3.5 If Final Judgment does not occur, or if this Stipulation is
11 terminated or canceled pursuant to its terms, the Parties to this Stipulation shall be
12 deemed to have reverted to their respective status as of the date and time
13 immediately prior to the execution of this Stipulation. Notwithstanding any other
14 provision of this Stipulation, no order of the Court, or modification or reversal on
15 appeal of any order of the Court, reducing the amount of any attorneys' fees or
16 costs to be paid by Defendant to Class Counsel, or reducing the amount of the
17 Service Payments paid to the Class Representatives, shall constitute grounds for
18 cancellation or termination of the Stipulation, or grounds for limiting any other
19 provision of the Judgment.

20 6.4 Funding and Distribution of the Settlement Proceeds

21 6.4.1 Within ten (10) days after the Final Approval Date, Defendant
22 shall pay Four Million Two Hundred Fifty Thousand Dollars and Zero Cents
23 (\$4,250,000.00) into the Qualified Settlement Fund. The Gross Settlement Amount
24 is fully non-reversionary.

25 6.4.2 Within twenty-one (21) days after the Effective Date, the
26 Settlement Administrator shall issue Settlement Payments to Participating Class
27 Members in the form of a check, which shall become null and void if not deposited
28

1 within one hundred eighty (180) days of issuance. The Settlement Administrator
2 will mail all settlement checks to the last known address of each Participating Class
3 Member. No settlement checks will be mailed to those Class Members whose
4 Notice was returned as undeliverable with no valid address ascertained as provided
5 in paragraph 6.2.6. Any Class Member who is not mailed an initial Settlement
6 Payment pursuant to this paragraph shall nevertheless be bound by the Judgment
7 and release of Claims. For all such Class Members, the value of their Settlement
8 Payments shall be included in the Net Settlement Amount to be allocated to
9 Participating Class Members. The initial check shall contain release language
10 printed on the back of the check and shall be accompanied by a cover letter
11 informing the Participating Class Member of the possibility of a second check. In
12 the event a second check is sent, this will be accompanied by a cover letter
13 explaining why the Participating Class Member is receiving it. In the event that a
14 Settlement Payment is returned by the U.S. Postal Service with a forwarding
15 address, the Settlement Administrator shall remail the check within three (3) days.
16 In the event that a Settlement Payment is returned by the U.S. Postal Service as
17 undeliverable, the Settlement Administrator shall perform a standard skip-trace and
18 shall remail the check within three (3) days if a current address can be ascertained.

19 6.4.3 After one hundred eighty (180) days of issuance, funds from
20 undeposited checks will be held by the Settlement Administrator; if the Class
21 Member to whom the undeposited check is issued does not contact Class Counsel
22 or the Settlement Administrator concerning his or her settlement payment within
23 one-hundred eighty (180) days of issuance, the Stipulation, including its release,
24 will be binding on that Class Member, and the amount of that Class Member's
25 settlement payment will revert back to the Qualified Settlement Fund and either
26 will be redistributed to the Settlement Class or paid as a cy pres award pursuant to
27 Section 5.7.1(b). During the 180-day check-cashing period, the Settlement
28

1 Administrator shall provide weekly reports to Class Counsel and Defendant's
2 Counsel regarding the number of checks cashed and the total value of Settlement
3 Payments remaining uncashed.

4 6.4.4 Within twenty-one (21) days of the Effective Date, the
5 Settlement Administrator shall pay the Court-approved Attorneys' Fees and Costs
6 to the Matern Law Group PC trust account, which shall distribute the Attorneys'
7 Fees and Costs as appropriate to Class Counsel. Class Counsel shall provide to the
8 Settlement Administrator, with a copy to Defendant, the pertinent taxpayer
9 identification number and Form W-9 within ten (10) days after the Effective Date.

10 6.4.5 Within twenty-one (21) days of the Effective Date, the
11 Settlement Administrator shall send a check by mail for the Court-approved
12 Service Payments to the Class Representatives, care of Class Counsel.

13 6.4.6 Within two hundred and ten (210) days of issuance of the
14 settlement checks, the Class Administrator shall provide to Class Counsel and
15 Defendant's Counsel a report as to the amount of funds remaining in the Settlement
16 Fund. Within thirty (30) days of such report, Class Counsel and Defendant's
17 Counsel shall determine whether a second distribution or cy pres is warranted per
18 Section 5.7.1(b). In the event of a second distribution, such distribution shall be
19 made within thirty (30) days of the determination. In the event of cy pres, Class
20 Counsel shall prepare a motion for approval of the cy pres distribution within thirty
21 (30) days of the determination.

22 6.4.7 The Settlement Administrator shall calculate the employer's
23 share of payroll taxes on the portion of the Settlement Payments to Participating
24 Class Members that is allocated to wages, and shall communicate this amount to
25 Defendant. Within ten (10) calendar days of the notification of such amount and
26 wiring instructions, Defendant shall make an additional payment to the Settlement
27 Administrator (the "Payroll Tax Payment"), which shall be in addition to the Gross
28

1 Settlement Amount. The Settlement Administrator shall remit and report the
2 applicable portions of the Payroll Tax Payment to the appropriate taxing authorities
3 on a timely basis pursuant to its duties and undertakings set forth in Section 5.6.
4 Defendant agrees to reasonably cooperate with the Settlement Administrator to the
5 extent necessary to determine the amount of the Payroll Tax Payment required
6 under this Section.

7 **7. MISCELLANEOUS PROVISIONS**

8 7.1 The Parties agree to cooperate fully with one another to accomplish
9 and implement the terms of this Settlement. Such cooperation shall include, but not
10 be limited to, execution of such other documents and the taking of such other action
11 as may reasonably be necessary to fulfill the terms of this Settlement. The Parties
12 to this Settlement shall exercise reasonable efforts, including all efforts
13 contemplated by this Settlement and any other efforts that may become necessary
14 by Court order, or otherwise, to effectuate this Settlement and the terms set forth
15 herein.

16 7.2 The Parties hereto agree that the terms and conditions of this
17 Stipulation are the result of lengthy, intensive, arm's-length negotiations between
18 the Parties and that this Stipulation shall not be construed in favor of or against any
19 party by reason of the extent to which any party or its counsel participated in the
20 drafting of this Stipulation.

21 7.3 The Parties and their counsel agree that no comments of any kind
22 regarding the Settlement, the Settlement Term Sheet and Memorandum of
23 Understanding, the Settlement-related documents, or the Settlement negotiations
24 (including without limitation, the negotiations in the course of mediation), may be
25 made at any time to the press/media, unless the Parties agree otherwise in writing.
26 Notwithstanding the foregoing, Defendant shall have the right to disclose the
27 Settlement and its terms for accounting or public filing purposes, or to otherwise
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1 comply with any public reporting duties and that Plaintiffs' counsel may post Court
2 documents only on Plaintiffs' counsel's website. The Parties' counsel shall also
3 retain the right to discuss the Settlement with the Parties.

4 7.4 Plaintiffs, by signing this Stipulation, are bound by the terms herein
5 and further agree not to request to be excluded from the Settlement and not to
6 object to any terms of this Stipulation. Any such request for exclusion or objection
7 shall therefore be void and of no force or effect. Defendant and Plaintiffs waive
8 their rights to file an appeal, writ, or any challenge whatsoever to the terms of this
9 Stipulation, except Plaintiffs and Class Counsel have the right to appeal any order
10 denying, in whole or in part, their application for the award of attorneys' fees and
11 costs and/or the Service Payments.

12 7.5 Plaintiffs agree that this Settlement fully and finally resolves any and
13 all claims that were pled or could have been pled based on the factual allegations
14 contained in the Second Amended Complaint. Plaintiffs agree to execute a
15 dismissal with prejudice of this entire action and to file that dismissal within forty-
16 five (45) days of the Court entering its Final Approval Order.

17 7.6 Neither Class Counsel nor any other attorneys acting for, or purporting
18 to act for, the Class, Class Members, or Plaintiffs, may recover or seek to recover
19 amounts for fees, costs, or disbursements from the Releasees or from the Gross
20 Settlement Amount as related to the Released Claims except as expressly provided
21 herein.

22 7.7 This Stipulation may not be changed, altered, or modified, except in
23 writing signed by the Parties hereto and approved by the Court. This Stipulation
24 may not be discharged except by performance in accordance with its terms or by a
25 writing used by the Parties hereto.

1 7.8 This Stipulation shall be binding upon and inure to the benefit of the
2 Parties hereto and their respective heirs, trustees, executors, administrators,
3 successors, and assigns.

4 7.9 The signatories hereto represent that they are fully authorized to enter
5 into this Stipulation and bind the Parties hereto to the terms and conditions hereof.

6 7.10 The Parties hereto represent, covenant, and warrant that they have not
7 directly or indirectly, assigned, transferred, encumbered, or purported to assign,
8 transfer, or encumber to any person or entity any portion of any liability, claim,
9 demand, action, cause of action or rights released and discharged by this
10 Stipulation.

11 7.11 Because the members of the proposed Class are so numerous, the
12 Parties agree that it is impossible or impractical to have each Class Member sign
13 this Stipulation. It is agreed that, for purposes of seeking approval of the Class
14 Settlement, this Stipulation may be executed on behalf of the proposed Class by
15 Class Counsel.

16 7.12 This Stipulation shall become effective upon its execution by all of the
17 undersigned. The Parties may execute this Stipulation in counterparts, and
18 execution of counterparts shall have the same force and effect as if all Parties had
19 signed the same instrument.

20 7.13 The Court shall retain jurisdiction with respect to the implementation
21 and enforcement of the terms of the Stipulation, and all Parties hereto submit to the
22 jurisdiction of the Court for purposes of implementing and enforcing the Settlement
23 embodied in the Stipulation. Any action to enforce this Stipulation shall be
24 commenced and maintained only in the Court.

25 7.14 Paragraph titles or captions contained in the Stipulation are inserted as
26 a matter of convenience and for reference, and in no way define, limit, extend, or
27 describe the scope of this Stipulation, or any provision thereof.

1 7.15 This Stipulation, which expressly incorporates the Parties' March 30,
2 2017, Memorandum of Understanding attached as **Exhibit C**, contains the entire
3 agreement between the Parties relating to the Settlement and transaction
4 contemplated hereby, and all prior or contemporaneous agreements,
5 understandings, representations, and statements, whether oral or written and
6 whether by a party or such party's legal counsel, are merged herein. No rights
7 hereunder may be waived except in writing.

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IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

DATED: 6/8, 2017


Karl Armstrong, Plaintiff

DATED: _____, 2017

LaDona Narr, Plaintiff

DATED: _____, 2017

Reynaldo Lopez, Plaintiff

DATED: _____, 2017

Eunice Delgadillo, Plaintiff

DATED: _____, 2017

Umberto Mendoza-Guzman, Plaintiff

DATED: _____, 2017

Aveia Tautolo, Plaintiff

MATERN LAW GROUP PC

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

ALTSHULER BERZON LLP

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

DATED: _____, 2017

DELTA AIR LINES, INC.

By: _____
Title: _____

DATED: _____, 2017

MORGAN, LEWIS & BOCKIUS LLP

By: _____
Attorneys for Defendant

IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly
authorized attorneys, as of the day and year herein set forth.

DATED: _____, 2017

Karl Armstrong, Plaintiff

DATED: 6.9, 2017

LaDona Narr
LaDona Narr, Plaintiff

DATED: _____, 2017

Reynaldo Lopez, Plaintiff

DATED: _____, 2017

Eunice Delgadillo, Plaintiff

DATED: _____, 2017

Umberto Mendoza-Guzman, Plaintiff

DATED: _____, 2017

Aveia Tautolo, Plaintiff

MATERN LAW GROUP PC

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

ALTSHULER BERZON LLP

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

DATED: _____, 2017

DELTA AIR LINES, INC.

By: _____
Title: _____

DATED: _____, 2017

MORGAN, LEWIS & BOCKIUS LLP

By: _____
Attorneys for Defendant

IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

DATED: _____, 2017

Karl Armstrong, Plaintiff

DATED: _____, 2017

LaDona Narr, Plaintiff

DATED: 6/2, 2017

Reynaldo Lopez
Reynaldo Lopez, Plaintiff

DATED: _____, 2017

Eunice Delgadillo, Plaintiff

DATED: _____, 2017

Umberto Mendoza-Guzman, Plaintiff

DATED: _____, 2017

Aveia Tautolo, Plaintiff

MATERN LAW GROUP PC

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

ALTSHULER BERZON LLP

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

DATED: _____, 2017

DELTA AIR LINES, INC.

By: _____
Title: _____

DATED: _____, 2017

MORGAN, LEWIS & BOCKIUS LLP

By: _____
Attorneys for Defendant

1 IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly
2 authorized attorneys, as of the day and year herein set forth.

3
4 DATED: _____, 2017

Karl Armstrong, Plaintiff

5
6 DATED: _____, 2017

LaDona Narr, Plaintiff

7
8 DATED: _____, 2017

Reynaldo Lopez, Plaintiff

9
10 DATED: June 7th, 2017

Eunice Delgadillo
Eunice Delgadillo, Plaintiff

11
12 DATED: _____, 2017

Umberto Mendoza-Guzman, Plaintiff

13
14 DATED: _____, 2017

Aveia Tautolo, Plaintiff

15
16
17 DATED: _____, 2017

MATERN LAW GROUP PC

By: _____
Attorneys for Plaintiffs and the Class

18
19
20 DATED: _____, 2017

ALTSHULER BERZON LLP

By: _____
Attorneys for Plaintiffs and the Class

21
22 DATED: _____, 2017

DELTA AIR LINES, INC.

By: _____
Title: _____

23
24
25 DATED: _____, 2017

MORGAN, LEWIS & BOCKIUS LLP

26
27 By: _____
Attorneys for Defendant

IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

DATED: _____, 2017

Karl Armstrong, Plaintiff

DATED: _____, 2017

LaDona Narr, Plaintiff

DATED: _____, 2017

Reynaldo Lopez, Plaintiff

DATED: _____, 2017

Eunice Delgadillo, Plaintiff

DATED: 6-7, 2017


Umberto Mendoza-Guzman, Plaintiff

DATED: _____, 2017

Aveia Tautolo, Plaintiff

MATERN LAW GROUP PC

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

ALTSHULER BERZON LLP

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

DATED: _____, 2017

DELTA AIR LINES, INC.

By: _____
Title: _____

DATED: _____, 2017

MORGAN, LEWIS & BOCKIUS LLP

By: _____
Attorneys for Defendant

IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

DATED: _____, 2017

Karl Armstrong, Plaintiff

DATED: _____, 2017

LaDona Narr, Plaintiff

DATED: _____, 2017

Reynaldo Lopez, Plaintiff


DATED: _____, 2017

Eunice Delgadillo, Plaintiff

DATED: _____, 2017

Umberto Mendoza-Guzman, Plaintiff

DATED: 06/06/, 2017


Aveia Tautolo, Plaintiff

MATERN LAW GROUP PC

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

ALTSHULER BERZON LLP

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

DATED: _____, 2017

DELTA AIR LINES, INC.

By: _____
Title: _____

DATED: _____, 2017

MORGAN, LEWIS & BOCKIUS LLP

By: _____
Attorneys for Defendant

IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly
authorized attorneys, as of the day and year herein set forth.

DATED: _____, 2017

Karl Armstrong, Plaintiff

DATED: _____, 2017

LaDona Narr, Plaintiff

DATED: _____, 2017

Reynaldo Lopez, Plaintiff

DATED: _____, 2017

Eunice Delgadillo, Plaintiff

DATED: _____, 2017

Umberto Mendoza-Guzman, Plaintiff

DATED: _____, 2017

Aveia Tautolo, Plaintiff

MATERN LAW GROUP PC

DATED: June 8, 2017

By: 
Attorneys for Plaintiffs and the Class

ALTSHULER BERZON LLP

DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

DATED: _____, 2017

DELTA AIR LINES, INC.

By: _____
Title: _____

DATED: _____, 2017

MORGAN, LEWIS & BOCKIUS LLP

By: _____
Attorneys for Defendant

1 IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly
2 authorized attorneys, as of the day and year herein set forth.

3
4 DATED: _____, 2017

_____ Karl Armstrong, Plaintiff

5
6 DATED: _____, 2017

_____ LaDona Narr, Plaintiff

7
8 DATED: _____, 2017

_____ Reynaldo Lopez, Plaintiff

9
10 DATED: _____, 2017

_____ Eunice Delgadillo, Plaintiff

11
12 DATED: _____, 2017

_____ Umberto Mendoza-Guzman, Plaintiff

13
14 DATED: _____, 2017

_____ Aveia Tautolo, Plaintiff

15
16 MATERN LAW GROUP PC

17 DATED: _____, 2017

By: _____
Attorneys for Plaintiffs and the Class

18
19 ALTSHULER BERZON LLP

20 DATED: June 7, 2017

By: [Signature]
Attorneys for Plaintiffs and the Class

21
22 DATED: _____, 2017

DELTA AIR LINES, INC.

By: _____
Title: _____

23
24
25 DATED: _____, 2017

MORGAN, LEWIS & BOCKIUS LLP

26 By: _____
Attorneys for Defendant

1 IN WITNESS WHEREOF, this Stipulation is executed by the Parties and their duly
2 authorized attorneys, as of the day and year herein set forth.

3
4 DATED: _____, 2017 _____
Karl Armstrong, Plaintiff

5
6 DATED: _____, 2017 _____
LaDona Narr, Plaintiff

7
8 DATED: _____, 2017 _____
Reynaldo Lopez, Plaintiff

9
10 DATED: _____, 2017 _____
Eunice Delgadillo, Plaintiff

11
12 DATED: _____, 2017 _____
Umberto Mendoza-Guzman, Plaintiff

13
14 DATED: _____, 2017 _____
Aveia Tautolo, Plaintiff

15
16 MATERN LAW GROUP PC
17 DATED: _____, 2017 By: _____
Attorneys for Plaintiffs and the Class

18
19 ALTSHULER BERZON LLP
20 DATED: _____, 2017 By: _____
Attorneys for Plaintiffs and the Class

21
22 DATED: June 5, 2017 DELTA AIR LINES, INC.
23 By: Marguerite A. Taylor
24 Title: Associate General Counsel

25 DATED: June 7, 2017 MORGAN, LEWIS & BOCKIUS LLP
26 By: Robert J. H. [Signature]
27 Attorneys for Defendant
28

EXHIBIT A

#20513

NOTICE OF CLASS ACTION SETTLEMENT

Lopez v. Delta Air Lines, Inc.

Case No. 2:15-cv-07302-SVW-SS

TO: All current and former non-exempt employees of Delta Air Lines, Inc. (“Defendant”), excluding flight attendants and pilots, who worked at any time in California from July 1, 2011 through June 30, 2017.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit in *Lopez v. Delta Air Lines, Inc.*, U.S. District Court, C.D. Cal., Case No. 2:15-cv-07302-SVW-SS (the “Action”). The purpose of this Notice of Settlement (“Notice”) is to describe the case, and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing concerning the fairness of the Settlement will be held before the Hon. Stephen V. Wilson on _____ at 1:30 p.m. at the following address: United States Courthouse, First Street Courthouse, 350 W. 1st Street, Los Angeles, CA 90012, Courtroom 10A, 10th Floor, to determine whether the case should be settled. The date and time of the Final Fairness Hearing may change without further notice to the Class. Updated information regarding the date and time of the hearing will be posted on the case website at [URL].

AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE A PAYMENT UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE, UNLESS YOU REQUEST TO BE EXCLUDED FROM THE SETTLEMENT, AS EXPLAINED BELOW.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes, the following class (the “Class”):

“All persons employed by Defendant in non-exempt positions in California (except flight attendants and pilots) at any time from July 1, 2011, through June 30, 2017 (the “Class Period”), excluding persons who were members of the settlement class in *Andrew Bell v. Delta Air Lines, Inc.*, Case No. 4:13-cv-01199-YGR, USDC, Northern District of California, and who worked no shifts for Defendant after November 20, 2014, the effective release date of claims for the *Bell* settlement class.”

According to the records of Defendant, you are a member of the Class (“Class Member”).

What is this case about?

In the Action, Plaintiffs allege on behalf of themselves and a putative class of non-exempt employees in California the following claims against Defendant: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to timely pay wages; (6) failure to pay all wages due to discharged and quitting employees; (7) failure to maintain required records; (8) failure to furnish accurate itemized wage statements; (9) failure to indemnify for necessary expenditures incurred in the discharge of duties; (10) unfair and unlawful business practices; and (11) civil penalties. The Action asserts claims for unpaid wages, statutory penalties, civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”), restitution, interest, attorneys’ fees, and costs.

Defendant is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Defendant contends that its wage and hour policies, including those regarding payment for time worked, overtime pay, meal breaks, and rest breaks, are lawful and have been lawful throughout the Class Period. Defendant also contends that Plaintiffs’ claims do not meet the requirements for class certification.

This Settlement is the result of good faith, arm’s length negotiations between Plaintiff and Defendant, through their respective attorneys. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Class Members. The Settlement is a compromise and is not an admission of liability on the part of Defendant.

Who are the attorneys representing the Parties?

The attorneys for the Class Representatives in the Action (“Class Counsel”) are:

Matthew J. Matern
Dalia R. Khalili
Matthew W. Gordon
Matern Law Group, PC
1230 Rosecrans Ave., Suite 200
Manhattan Beach, CA 90266
Telephone: (310) 531-1900

James M. Finberg
Eileen B. Goldsmith
Eric P. Brown
Altshuler Berzon LLP
177 Post Street, Suite 300
San Francisco, CA 94108
Telephone: (415) 421-7151

The attorneys for Defendant are:

Robert Jon Hendricks
Hien Nguyen
Andrew P. Frederick
Morgan, Lewis & Bockius LLP
One Market, Spear Street Tower
San Francisco, CA 94105
Telephone: (415) 442-1000

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$4,250,000 (the “Gross Settlement Amount”) for: (a) settlement payments to Class Members; (b) the Court-approved service payment to the Class Representatives; (c) the Court-approved Class Counsel’s fees and costs; (d) the costs of administering the Settlement; and (e) payments to the California Labor Workforce Development Agency for PAGA penalties.

Class Members’ Settlement Payments. After deductions from the Gross Settlement Amount for attorneys’ fees and costs, the service payment to the Class Representatives, the payment to the California Labor & Workforce Development Agency, and the costs of administering the Settlement, there will be a Net Settlement Amount. From this Net Settlement Amount, Defendant will make a payment (“Settlement Payment”) to each Class Member who does not opt out of the Settlement Class as follows: Class Member distributions shall be divided among all Class Members on a pro rata basis, based on the ratio of the number of weeks worked by each Class Member during the Class Period, to the total number of weeks worked by all Class Members during the Class Period. Any payments which are not cashed shall go into the pool of funds to be divided, pro rata, among all Class Members who previously cashed their payments (unless the Parties agree that the remaining amount is less than \$35,000, in which case it shall be paid as a cy pres award to agreed-upon charitable organization(s)).

For tax reporting purposes, Settlement Payments to class members will be allocated fifty percent (50%) as wages and fifty percent (50%) as interest and penalties. None of the Parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

If this Notice mailed to a Class Member is returned as undeliverable, and if the Settlement Administrator cannot locate a valid address for the Class Member with reasonable efforts, that Class Member will not be mailed a check, and the money that would have gone to that Class Member will be redistributed to the other Participating Class Members whose Notices were not returned as undeliverable.

Class Counsel Attorneys’ Fees and Costs, Class Representative Service Payment, and Administrative Costs. Class Counsel will ask the Court to award attorneys’ fees up to 33-1/3% of the Gross Settlement Amount, and reasonable litigation costs. In addition, Class Counsel will ask the Court to authorize service payments of up to \$10,000 for each of the Class Representatives in addition to the Class Representative’s portion of the Net Settlement Amount. The Parties estimate the cost of administering the Settlement will be \$45,000. A payment in the amount of \$100,000 will also be made to the State of California Labor & Workforce Development Agency for PAGA penalties.

What is my estimated Settlement Payment?

While the precise amount of your Settlement Payment is not known at this time, based on the number of weeks you worked in a class position during the Class Period, your Settlement Payment is estimated as follows:

Eligible workweeks: _____

Estimated Settlement Payment: _____

What claims are being released by the proposed Settlement?

Upon the Effective Date of the Settlement, Plaintiffs and each member of the Settlement Class shall be deemed to have fully, finally, and forever released the Releasees from all Released Claims through June 30, 2017 or the date of the Preliminary Approval Order, whichever occurs first. “Settlement Class” shall mean all Class Members who do not timely send a signed valid Opt-Out Request that is received by the Settlement Administrator. “Releasees” shall mean Defendant and each of its past, present and/or future, direct and/or indirect, officers, directors, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, members, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, and/or assigns, in their personal, individual, official, and/or corporate capacities. “Released Claims,” as to each member of the Settlement Class, shall mean any and all claims against Releasees that were or could have been pled based on the allegations in the Second Amended Complaint, including, but not limited to, claims based on meal breaks, rest breaks, hours worked, minimum wage, overtime, pay stubs, final pay, timing of pay, record retention, expense reimbursement, unfair competition, and statutory and civil penalties, that accrued or accrue through June 30, 2017, whether based on California’s Wage Orders, the California Labor Code, including, but not limited to, Sections 201, 202, 203, 204, 210, 218.5, 218.6, 223, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1198, 2802, and 2698 *et seq.* (PAGA), other penalties, related tort, contract, and punitive damages claims, claims for interest, attorneys’ fees, litigation and other costs, expenses, restitution, and equitable and declaratory relief, violations of California Business & Professions Code § 17200 *et seq.*, and/or 29 U.S.C. § 207.1.

What are my options in this matter?

You have **two** options under this Settlement, each of which is discussed below. You may: (A) remain in the Class and receive a settlement payment; or (B) exclude yourself from the Class and from the Settlement. If you choose to remain in the Class, you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. However, Class Counsel will not represent you for purposes of making objections to the Settlement. If you remain in the Class, you will be subject to any Judgment that will be entered in this Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive a payment under the Settlement, you do not need to do anything. You will be included in the Class automatically. By remaining in the Class and receiving settlement monies, you consent to the release of claims that are asserted or could have been asserted based on the allegations of the Second Amended Complaint, including claims for wages, penalties, liquidated damages, interest, attorneys’ fees, costs and equitable relief.

Any amount paid to Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Releasees, unless otherwise required by law.

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the Settlement, you must submit a signed written request to be excluded from the Settlement (“Opt-Out Request”) to the Settlement Administrator. To be valid, your Opt-Out Request must be postmarked on or before *insert 45-day exclusion deadline*. If you do not timely submit a signed Opt-Out Request (as evidenced by the postmark), your Opt-Out Request will be rejected, you will be deemed a member of the Settlement Class, and you will be bound by the release of Released Claims as described in the “What claims are being released by the proposed Settlement?” section above and all other Settlement terms. If the Opt-Out Request is sent from within the United States, it must be sent through the United States Postal Service by First-Class U.S. Mail, or the equivalent. If you timely submit a signed Opt-Out Request, you will have no further role in the Action, and for all purposes, you will be regarded as if you never were either a party to this Action or a Class Member, and thus you will not be entitled to any payment from the Settlement and will not be entitled to or permitted to assert an objection to the Settlement.

Objecting to the Settlement: If you believe the proposed Settlement is unfair or inadequate in any respect, you may object to the Settlement by submitting a written objection to the Settlement Administrator at

_____. **You cannot object to the Settlement if you request exclusion from the Settlement**, as provided under Option B above.

All objections must be signed and set forth your name, address, telephone number, and the name and number of the Action: *Lopez v. Delta Air Lines, Inc.*, Case No. 2:15-cv-07302-SVW-SS. All objections must be postmarked no later than [insert 45-day objection deadline]. Your objection must clearly state the reasons why you believe the Court should find that the proposed Settlement is not in the best interest of the Settlement Class, and why you believe the Settlement should not be approved. The Settlement Administrator shall forward copies of any objections to Class Counsel and to Defendant's Counsel within three days of receipt. Class Counsel shall submit copies of any objections received to the Court in conjunction with the filing of the motion for final approval of the Settlement.

You may hire an attorney at your own expense to appear on your behalf or you may appear personally at the Final Approval Hearing if you submit a timely objection in the manner described above. Any Class Member who does not object in the manner described above shall be deemed to have waived any objections, and shall be foreclosed from objecting to the fairness or adequacy of the proposed Settlement, the payment of attorneys' fees and costs, the service payments to the Class Representatives, and any and all other aspects of the Settlement.

Even if you submit an objection, you will be bound by the terms of the Settlement, including applicable releases as set forth above, unless the Settlement is not finally approved by the Court.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the settlement administration costs, and the service payments to the Class Representatives on [____], at [____] in Courtroom 10A, 10th Floor of the United States District Court, Central District of California, located at the First Street Courthouse, 350 W. 1st Street, Los Angeles, CA 90012. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive a share of the Settlement.

How can I get additional information?

This Notice only summarizes the Action, the basic terms of the Settlement, and other related matters. For more information, you may review the Court's files, including the detailed Joint Motion/Stipulation of Settlement, which is on file with the Clerk of the Court. The pleadings and other records in this Action, including the Stipulation of Settlement, may be examined at the Records Office of the Clerk of the United States District Court, located at 312 North Spring Street, Los Angeles, CA 90012. You can also request a copy of the Stipulation of Settlement from Class Counsel, at the address listed above. More information and Court documents are also available on the case website, at [URL].

Any questions regarding this Notice should be directed to the Settlement Administrator or to Class Counsel at the addresses listed above in this Notice. For more information you may also call the Settlement Administrator toll-free at [NUMBER].

What should I do if my address changes?

If you received this Notice at an address other than the address shown on the Notice, or if your address changes, please promptly contact the Settlement Administrator toll-free at [NUMBER]. This will ensure that you receive further notices about this settlement, and that you receive your Settlement Payment if the settlement is approved by the Court.

**PLEASE DO NOT CALL OR WRITE THE COURT OR THE ATTORNEYS FOR THE DEFENDANT
ABOUT THIS NOTICE**

BY ORDER OF THE U.S. DISTRICT COURT

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

REYNALDO LOPEZ et al.

Plaintiffs,

v.

DELTA AIRLINES, INC. et al.

Defendants.

No. 2:15-cv-07302-SVW-SS

[Assigned to Hon. Stephen V. Wilson;
Magistrate Judge: Hon. Suzanne H. Segal]

**[PROPOSED] ORDER GRANTING
MOTION FOR PRELIMINARY
APPROVAL OF SETTLEMENT**

1 Plaintiffs' Motion for Preliminary Approval of Class Action Settlement came
2 before this Court on July __, 2017. The Court, having fully reviewed Plaintiffs' Motion
3 for Preliminary Approval of Class Action Settlement, and the supporting Memorandum
4 of Points and Authorities and Declarations filed in support thereof, including the
5 Stipulation of Settlement ("Settlement Agreement") and Notice of Settlement ("Notice"),
6 and for good cause appearing, HEREBY MAKES THE FOLLOWING ORDERS:

7 1. The Court grants preliminary approval of the settlement based upon the
8 terms set forth in the Settlement Agreement, which is attached as Exhibit 1 to the
9 Declaration of Matthew J. Matern, and is incorporated in full by this reference and made
10 a part of this Order. The Settlement appears to be fair, adequate, and reasonable to the
11 Class.

12 2. All capitalized terms defined in the Settlement Agreement shall have the
13 same meaning when used in this Order.

14 3. The Settlement falls within the range of reasonableness of a settlement which
15 could ultimately be given final approval by this Court, and appears to be presumptively
16 valid, subject only to any objections that may be raised at the Final Approval Hearing and
17 final approval by this Court. The Court notes that Defendant has agreed to create a
18 common fund of \$4,250,000.00 to cover (a) settlement payments to Class Members who
19 do not validly opt out; (b) a \$100,000.00 payment to the State of California, Labor &
20 Workforce Development Agency for its share of the settlement of claims for penalties
21 under the Private Attorneys General Act; (c) Class Representative service payments of up
22 to \$10,000.00 each for Class Representatives LaDona Narr and Karl Armstrong; (d) Class
23 Counsel's attorneys' fees, not to exceed 33-1/3% of the Gross Settlement Amount, and
24 actual litigation expenses incurred by Class Counsel; and (e) Settlement Administration
25 Costs of up to \$45,000.00. In the event that the total number of Class Members exceeds
26 3,800, then Defendant will supplement the settlement fund. For each Class Member over
27 the 3,800 total, Defendant will supplement the settlement fund by 20% of the settlement
28 payment that would be paid to a Class Member from the "Net Settlement Amount,"

[Proposed] Order Granting Motion for Preliminary Approval of Settlement;
No. 2:15-cv-07302-SVW-SS

1 assuming an equally apportioned distribution among all Class Members and a class size
2 of 3,800, although Class Counsel attorneys' fees shall not be increased beyond 33-1/3%
3 of the Gross Settlement Amount of \$4,250,000.00.

4 4. The Court finds and concludes that the Settlement is the result of arms-length
5 negotiations between the parties conducted after Class Counsel had adequately
6 investigated Plaintiffs' claims and become familiar with their strengths and weaknesses.
7 The assistance of an experienced mediator in the settlement process further confirms that
8 the Settlement is non-collusive. The Court further finds that the settlement of Plaintiffs'
9 representative claims under the California Private Attorneys General Act, Cal. Labor
10 Code §§2698 *et seq.*, is fair and reasonable and is approved.

11 5. In accordance with the Settlement Agreement, the Court hereby certifies the
12 following class for purposes of settlement: All current and former non-exempt employees
13 of Delta Air Lines, Inc., excluding flight attendants and pilots, who worked at any time
14 in California from July 1, 2011 through June 30, 2017, excluding persons who were
15 members of the settlement class in *Andrew Bell v. Delta Air Lines, Inc.*, Case No. 4:13-
16 cv-01199-YGR, USDC, Northern District of California, and who worked no shifts for
17 Defendant after November 20, 2014, the effective release date of claims for the *Bell*
18 settlement class. The Court hereby finds and concludes that the Class, which was
19 previously certified as to certain issues pursuant to Fed. R. Civ. P. 23(c)(4), *see* Dkt. 118,
20 satisfies all of the requirements for certification under Fed. R. Civ. P. 23(a) and 23(b)(3),
21 except manageability. Because certification of the Class is proposed in the context of a
22 settlement, the Court need not inquire whether the case, if tried as a class action, would
23 present intractable management problems.

24 6. With respect to the requirements of Fed. R. Civ. P. 23(a) and 23(b)(3), the
25 Court makes the following findings:

26 a. The Class, which has approximately 3,400 members, satisfies the
27 standard for numerosity in Fed. R. Civ. P. 23(a)(1).
28

- 1 b. There are many questions of fact and law that are common to the Class
2 regarding the policies and practices that applied to Class Members’
3 employment with Defendant, thereby satisfying the standard for
4 commonality in Fed. R. Civ. P. 23(a)(2).
- 5 c. Plaintiffs LaDona Narr and Karl Armstrong’s claims meet the
6 typicality requirement because they were non-exempt employees of
7 Defendant and their claims arise from the same alleged events and
8 course of conduct as those alleged on behalf of the Class, thereby
9 satisfying Fed. R. Civ. P. 23(a)(3).
- 10 d. The Court continues to find that Matern Law Group, PC, and Altshuler
11 Berzon LLP will fairly and adequately represent the Class, and
12 confirms their appointment in the Court’s December 16, 2016 Order
13 (Dkt. 118) as Class Counsel.
- 14 e. The Court continues to find that Plaintiffs LaDona Narr and Karl
15 Armstrong will fairly and adequately represent the Class, and
16 confirms their appointment in the Court’s December 16, 2016 Order
17 (Dkt. 118) as Class Representatives.
- 18 f. The Court finds that for purposes of settlement only, common
19 questions of law and fact predominate over individualized issues,
20 because the claims arise from Defendant’s policies and widespread
21 practices, and further finds that the superiority requirement is satisfied
22 because it is likely that recovery on an individual basis would be
23 dwarfed by the cost of litigating on an individual basis.

24 7. The Court approves KCC, LLC (“Settlement Administrator”) to perform the
25 duties of the Settlement Administrator as set forth in this Order and the Settlement
26 Agreement.

27 8. The Court finds that the Notice, which is attached as Exhibit A to the
28 Settlement Agreement, comports with Fed. R. Civ. P. 23 and all Constitutional

1 requirements including those of due process. The Court further finds that the Notice
2 adequately advises the Class about the class action; the terms of the proposed settlement,
3 the benefits available to each Class Member, and the proposed fees and costs to Class
4 Counsel; each Class Member's right to object or opt out of the settlement, and the timing
5 and procedures for doing so; preliminary Court approval of the proposed settlement; and
6 the date of the Final Approval hearing as well as the rights of Class Members to file
7 documentation in support of or in opposition to and appear in connection with said
8 hearing. The Court further finds that the mailing of the Notice to each Class Member's
9 last known address, with appropriate skip tracing and mail forwarding for Notices
10 returned as undeliverable, as specifically described in the Settlement Agreement,
11 constitutes reasonable notice to Class Members of their rights with respect to the class
12 action and proposed settlement.

13 9. Within thirty (30) days of the issuance of this Order, Defendant shall provide
14 the Settlement Administrator with the Class Member Database, as specified in the
15 Settlement Agreement.

16 10. Within 14 days after receipt of the Database, the Settlement Administrator
17 shall mail the Notice in the manner specified in the Settlement Agreement.

18 11. The Court orders that any request for exclusion from the Settlement must be
19 postmarked no later than 45 days after the Notice is initially mailed to Class Members,
20 and must be received by the Settlement Administrator to be valid.

21 12. If more than 5% of the total number of Class Members submit timely and
22 valid opt-out requests, Defendant shall have the option to void the settlement. To exercise
23 this option, Defendant's Counsel must send written notification to Class Counsel within
24 14 days of receiving a report from the Settlement Administrator of the total number of
25 timely and valid opt-out requests received from Class Members.

26 13. Any Class Member who does not timely and validly request exclusion from
27 the settlement may object to the Settlement Agreement. Any objection must be in writing,
28 and must be mailed to the Settlement Administrator. Such objection shall include the

1 name and address of the Class Member and the basis of the objection, and must be signed
2 by the Class Member. To be timely, the objection must be postmarked no later than 45
3 days after the Notice is initially mailed to the Class. Any Class Member who does not
4 timely submit such a written objection will not be permitted to raise such objection, except
5 for good cause shown, and any Class Member who fails to object in the manner prescribed
6 by this Order will be deemed to have waived, and will be foreclosed from raising, any
7 such objection.

8 14. The Final Approval Hearing shall be held before this Court on _____,
9 2017 at 1:30 p.m. in Courtroom 10A, to consider the fairness, adequacy, and
10 reasonableness of the proposed settlement preliminarily approved by this Order, and to
11 consider the motion of Class Counsel for an award of reasonable attorneys' fees and costs
12 and Class Representative service payments.

13 15. Any party to this case, including any Class Member, may be heard in person
14 or by counsel, to the extent allowed by the Court, in support of, or in opposition to, the
15 Court's determination of the good faith, fairness, reasonableness, and adequacy of the
16 proposed settlement, the requested attorneys' fees and costs, the requested Class
17 Representative service payments, and any order of final approval and Judgment regarding
18 such settlement, fees, costs, and payments; provided however, that no person shall be
19 heard in opposition to such matters unless such person has complied with the conditions
20 set forth in the Notice.

21 16. Briefs regarding the settlement shall be served and filed in accordance with
22 the following briefing schedule:

23 24 25 26 27 28	Plaintiffs' motion for attorneys' fees and costs	14 days before the deadline for Class Members to submit objections to the settlement
	Plaintiffs' motion for final approval of the settlement and for Class Representative service payments	28 days before the Final Approval Hearing

1 2 3 4	Defendant's Counsel shall file with the Court a declaration attesting that CAFA Notice has properly been served pursuant to 28 U.S.C. §1715	14 days before the Final Approval hearing
5 6 7 8 9 10	Reply briefs, if any	14 days before the Final Approval Hearing

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17. The Court orders that if for any reason the Court does not execute and file an order of final approval and judgment, or if such a final approval order is reversed, the Settlement Agreement and the proposed settlement which is the subject of this Order and all evidence and proceedings had in connection therewith, shall be without prejudice to the status quo ante rights of the Parties to the litigation as more specifically set forth in the Settlement Agreement.

18. The Court orders that the Settlement Agreement shall not be construed as an admission or evidence of liability.

19. Pending further order of this Court, all proceedings in this matter except those contemplated herein and in the Settlement Agreement are stayed.

20. The Court expressly reserves the right to adjourn or continue the Final Approval Hearing without further notice to Class Members.

IT IS SO ORDERED.

Date: July __, 2017

Hon. Stephen V. Wilson
United States District Judge

EXHIBIT C

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SETTLEMENT TERM SHEET

Lopez v. Delta Air Lines, Inc., C.D. Cal., Case No. 2:15-cv-07302-SVW-SS

The parties in the above action agree to settle their case on the following terms:

1. The “Class” consists of all persons employed by Delta Air Lines, Inc. (“Delta” or “Defendant”) in non-exempt positions in California (except flight attendants and pilots) at any time from July 1, 2011, through June 30, 2017, or the date of preliminary approval of this settlement, whichever is first, excluding persons who were members of the settlement class in *Andrew Bell v. Delta Air Lines, Inc.*, Case No. 4:13-cv-01199-YGR, USDC, Northern District of California, and who worked no shifts for Delta after November 20, 2014, the effective release date of claims for the *Bell* settlement class. “Class Members” are those who are part of the Class.
2. This settlement is entered into on the understanding that the approximate total number of Class Members as of December 31, 2016, is 3,400. By April 5, 2017, Delta will provide Plaintiffs’ counsel with a declaration under penalty of perjury confirming that the total number of Class Members as of March 26, 2017, does not exceed 3,500. Within two weeks, Delta will provide Plaintiffs’ counsel with the actual number of Class Members as of March 26, 2017.
3. From April to June 2017, Delta expects to hire approximately 300 non-exempt employees in California, but could hire less or could hire more. Many of these new hires will only have worked one or two pay periods during the Class period. Notwithstanding this fact, in the event that the total number of Class Members exceeds 3,800, then Delta agrees to supplement the settlement fund as follows: For each Class Member over the 3,800 total, Delta will supplement the settlement fund by 20% of the settlement payment that would be paid to a Class Member from the “Net Settlement Amount,” assuming an equally apportioned distribution among all Class Members and a class size of 3,800. This provision does not require the Parties to apportion the Net Settlement Amount equally among Class Members, but rather is for purposes of providing an agreed-upon formula for supplementation of the settlement fund, if any, by Delta. The parties agree that any

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supplementation of the settlement fund will not increase the potential award of attorney fees to class counsel, which is set at a maximum of up to 33-1/3% of \$4,250,000.

4. There will be a statement of non-opposition by Defendant as to the certification of the Class for the purpose of settlement.
5. The gross settlement amount is \$4.25 million, inclusive of payments to the Class, attorney's fees, litigation costs, enhancement payments to the class representatives, a payment of \$100,000 to the State of California under Labor Code Section 2699 *et seq.*, and the costs of a third-party settlement administrator (hereafter "Gross Settlement Amount"). The Gross Settlement Amount does not include Defendant's share of payroll taxes, which will remain Defendant's responsibility.
6. Settlement payments to Class Members will be distributed from the "Net Settlement Amount," which is the Gross Settlement Amount less attorneys' fees and costs, costs of settlement administration by the third-party settlement administrator, enhancement payments to the class representatives, and payment to the State of California under Labor Code Section 2699 *et seq.* For tax reporting purposes, settlement payments to class members will be allocated fifty percent (50%) wages and fifty percent (50%) interest and penalties. These settlement payments reflect a settlement of a dispute over claimed wages, interest, penalties, and other alleged damages.
7. There shall be no reversion to Defendant.
8. There shall be no claims process. All Class Members who do not opt out shall be mailed a settlement payment, to their last known address or to such further addresses as are identified through reasonable skip tracing efforts. After an initial distribution, the settlement administrator will notify the parties of the amount of any uncashed settlement funds, and the parties will determine whether a second distribution to those Class Members who cashed their checks from the initial distribution or a cy pres award is warranted. The settlement agreement shall include reasonable efforts to identify new addresses for Class Members who do not cash their initial settlement checks within a certain period of time. Any unclaimed portion of the Net Settlement Amount will be donated to an agreed-upon cy pres beneficiary.

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9. There will be a statement of non-opposition by Defendant as to an award of attorney fees to class counsel of up to 33-1/3% of \$4,250,000, and to an award of actual litigation costs.
10. There will be a statement of non-opposition by Defendant as to enhancement awards to class representatives LaDona Narr and Karl Armstrong, not to exceed \$10,000 each, in exchange for executing a settlement agreement and general release including a Civil Code §1542 waiver. Enhancement payments to the class representatives will be characterized as non-wage payments and reported on a Form 1099.
11. The settlement and release by Class Members covers claims that were pled or could have been pled based on the factual allegations contained in the operative complaint or any amendments thereto and covers the period from July 1, 2011 until the date of the Order of Preliminary Approval of the settlement, or 60 days after the parties execute the long-form settlement agreement, whichever occurs first.
12. If more than five percent (5%) of the total number of Class Members submit timely and valid requests to opt out of the settlement, then Defendant shall have the option to void the settlement in its sole discretion.
13. Within ten (10) business days after the date the Court enters the Order of Final Approval of the class settlement, Defendant will deposit the Gross Settlement Amount into a qualified settlement fund under Section 468B of the Internal Revenue Code established by the third-party claims administrator for the purpose of administering the settlement. The parties will mutually agree on a third-party claims administrator and will jointly manage the claims administrator's work. The parties agree that communications to and from the third-party claims administrator will include both Plaintiffs' counsel and Defendant's counsel.
14. The parties will cooperate in defining a suitable plan of allocation of the Net Settlement Fund among Class Members and in finalizing the terms of a formal settlement document to be prepared initially by Defendant's counsel. In the event that the parties are unable to reach a mutually agreeable resolution to any dispute concerning the formal settlement document, despite their best efforts, they will consult Mark Rudy, Esq.

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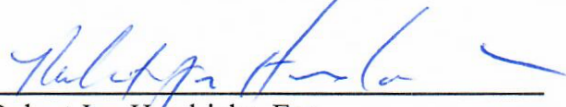
15. This settlement does not constitute an admission of liability. Delta denies any liability. The parties agree that this is a settlement of disputed claims and that Labor Code Section 206.5 is therefore inapplicable.
16. There shall be no publicity.
17. Any settlement shall remain confidential until a stipulation for preliminary approval is filed with the court.
18. The named Plaintiffs in this action – Karl Armstrong, Eunice Delgadillo, Umberto Mendoza, LaDona Narr, Reynaldo Lopez, and Aveia Tautolo (“Named Plaintiffs”) – agree to participate in this settlement and agree to not opt out of the settlement. The Named Plaintiffs further agree that this settlement fully and finally resolves any and all claims that were pled or could have been pled based on the factual allegations contained in the operative complaint or any amendments thereto. The Named Plaintiffs agree to execute a dismissal with prejudice of this entire action and to file that dismissal within forty-five (45) days of the Court entering its Order of Final Approval of the settlement.
19. The parties shall use their best efforts to meet the following schedule for completion of the settlement:

Notify Court of settlement	March 29, 2017
Fully executed settlement agreement	May 26, 2017
Motion for preliminary approval filed	June 9, 2017
Preliminary approval hearing	July 17, 2017

Dated: March 30, 2017

FOR DELTA AIR LINES, INC.:

MORGAN LEWIS & BOCKIUS LLP


Robert Jon Hendricks, Esq.
Attorneys for Delta Air Lines, Inc.

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On behalf of Delta Air Lines, Inc.

Signature: Marguerite A. Taylor
Title: Associate General Counsel

FOR PLAINTIFFS AND THE CLASS:

MATERN LAW GROUP, PC



Matthew J. Matern, Esq.
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Eileen B. Goldsmith, Esq.