

ADAM P. KOHSWEENEY (S.B. #229983)
akohsweeney@omm.com
KRISTIN M. MACDONNELL (S.B. #307124)
kmacdonnell@omm.com
MOLLY EDGAR (S.B. #341857)
medgar@omm.com
O'MELVENY & MYERS LLP
Two Embarcadero Center, 28th Floor
San Francisco, CA 94111-3823
Telephone: (415) 984-8912
Facsimile: (415) 984-8701

Attorneys for Defendant
American Airlines, Inc.

(Plaintiffs' counsel on following page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

ALDIBERT ESTEBAN, an individual,
on behalf of himself and all others
similarly situated,

Plaintiff,

v.

AMERICAN AIRLINES, INC., a
Delaware Corporation; and Does 1
through 10, inclusive,

Defendants.

Case No. 20STCV47361

**JOINT STIPULATION OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT AND RELEASE**

1 DAVID R. MARKHAM (S.B. #071814)

2 dmarkham@markham-law.com

3 MAGGIE REALIN (S.B. #263639)

4 mrealin@markham-law.com

5 LISA BREVARD (S.B. #323391)

6 lbrevard@markham-law.com

7 THE MARKHAM LAW FIRM

8 888 Prospect Street, Suite 200

9 La Jolla, California 92037

10 Telephone: (619) 399-3995

11 Facsimile: (619) 615-2067

12 WALTER HAINES (S.B. #071075)

13 walter@uelglaw.com

14 UNITED EMPLOYEES LAW GROUP

15 5500 Bolsa Avenue, Suite 20 I

16 Huntington Beach, CA 92649

17 Telephone: (888) 474-7242

18 Facsimile: (562) 256-1006

19 Attorneys for Plaintiff

20 Aldibert Esteban and all others similarly situated

21 JOSEPH LAVI (S.B. #209776)

22 jlavi@lelawfirm.com

23 VINCENT C. GRANBERRY (S.B. #276483)

24 vgranberry@lelawfirm.com

25 LAVI & EBRAHIMIAN, LLP

26 8889 W. Olympic Blvd., Suite 200

27 Beverly Hills, California 90211

28 Telephone: (310) 432-0000

Facsimile: (310) 432-0001

Attorneys for Plaintiff Maisha Sykes

and all others similarly situated

MATTHEW R. BAINER (S.B. #220972)
mbainer@bainerlawfirm.com
THE BAINER LAW FIRM
1901 Harrison St., Suite 1100
Oakland, California 94612
Telephone: (510) 922-1802
Facsimile: (510) 844-7701

Attorneys for Plaintiffs
Deborah Berens and Linda Hinkley

I. PREAMBLE

1. This Class and Representative Action Settlement Agreement (“Settlement” or “Agreement”) is entered into between Plaintiffs Aldibert Esteban (“Esteban”), Maisha Sykes (“Sykes”), Deborah Berens (“Berens”), and Linda Hinkley (“Hinkley”) (collectively, “Named Plaintiffs”), individually and as class and PAGA representatives on behalf of all individuals defined in Section III of this Agreement (collectively, with Named Plaintiffs, the “Settling Class”), on the one hand, and Defendant American Airlines, Inc. (“Defendant” or “American”), on the other hand. The Settling Class and American are referred to collectively herein as the “Settling Parties.”

2. Esteban, who during certain relevant periods was employed by American as a Flight Attendant based in California, filed a Complaint commencing the above-captioned action in the Superior Court of the State of California for the County of Los Angeles on December 11, 2020, where it was assigned case number 20STCV47361 (the “*Esteban* Lawsuit”). Esteban filed a First Amended Complaint on February 26, 2021, to which American filed an Answer denying all allegations on March 29, 2021. The *Esteban* Lawsuit seeks to assert claims on behalf of a group of allegedly aggrieved employees defined as “Plaintiff and all non-exempt, hourly-paid Flight Attendants who are employed by, or formerly were employed by, [American] within the State of California” from October 6, 2019, forward. (*Esteban* FAC ¶ 1.) Esteban alleged, *inter alia*, that American failed to pay

1 aggrieved employees for all hours worked, failed to provide meal periods and rest breaks in
2 compliance with California law, failed to provide correct itemized wage statements, failed
3 to timely pay wages, and failed to timely pay wages upon separation of employment. Based
4 on these allegations, Esteban sought, *inter alia*, penalties under the Labor Code Private
5 Attorney Generals Act, Labor Code §§ 2698 *et seq.* (“PAGA”) for alleged violations of
6 Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1197, and 1198, as well
7 as a public injunction under Business & Professions Code §§ 17200 and 17203.

8 3. On January 18, 2019, a putative wage and hour class action lawsuit was filed
9 against American captioned *Fowers v. American Airlines, Inc.*, Case No. RG19003762
10 (Alameda County Superior Court). A Second Amended Complaint effective on or about
11 December 21, 2021, to which American filed an Answer denying all allegations on January
12 20, 2022 The Second Amended Complaint asserts claims on behalf of a group of allegedly
13 aggrieved employees and five putative classes of “[a]ll current and former California-based
14 flight attendants employed by [American] at any time from” four, three, or one years back
15 from January 18, 2019, forward. In that case, Plaintiffs alleged that, *inter alia*, American
16 failed to pay wages for all time worked, failed to timely pay wages, failed to indemnify
17 and/or reimburse, failed to provide compliant wage statements, and failed to pay wages
18 upon separation. Based on these allegations, Plaintiffs sought, *inter alia*, unpaid wages,
19 premium wages, interest, penalties, attorneys’ fees, and injunctive relief pursuant to Labor
20 Code §§ 201, 202, 203, 204, 226, 1194, 1197, 2802, PAGA, and Business & Professions
21 Code §§ 17200 *et seq.* Maisha Sykes (“Sykes”), was employed by American as a Flight
22 Attendant based in California during certain relevant time periods and is a putative class
23 member in *Fowers*. As such, Sykes’ claims against American have been tolled since t
24 January 18, 2019. As is the case in *Fowers*, Plaintiff Sykes alleges that, *inter alia*,
25 American failed to pay wages for all time worked, failed to timely pay wages, failed to
26 indemnify and/or reimburse, failed to provide compliant wage statements, and failed to pay
27 wages upon separation. Based on these allegations, Sykes alleges she and other flight
28

1 attendants based in California are owed, *inter alia*, unpaid wages, premium wages, interest,
2 penalties, attorneys' fees, and injunctive relief pursuant to Labor Code §§ 201, 202, 203,
3 204, 226, 1194, 1197, 2802, PAGA, and Business & Professions Code §§ 17200 *et seq.*
4 from January 18, 2015, forward. Sykes will include her allegations and become a named
5 Plaintiff and Class Representative by virtue of the filing of the Second Amended Complaint
6 in *Esteban* as discussed in Paragraph 18 below.

7 4. On July 28, 2020, Berens and Hinkley, both of whom were employed by
8 American as Flight Attendants based in California during certain relevant periods, filed a
9 lawsuit against American captioned *Berens v. American Airlines, Inc.*, Case No. CGC-20-
10 585781 (San Francisco Superior Court) (the "*Berens Lawsuit*"). Berens filed a First
11 Amended Complaint on or about March 1, 2021, to which American filed an Answer
12 denying all allegations on April 1, 2021. The *Berens Lawsuit* seeks to assert claims on
13 behalf of allegedly aggrieved employees and a putative class of all "individuals who
14 worked for Defendants as Flight Attendants, or individuals holding similar job positions,
15 who worked for Defendants while based out of a California base of operations, at any time
16 during the period from" January 18, 2015, forward. (*Berens Compl.* ¶ 17.) Berens and
17 Hinkley alleged that, *inter alia*, American failed to pay overtime, pay all minimum wages,
18 provide compliant meal periods and rest breaks, pay wages timely upon termination, and
19 provide compliant wage statements. Based on these allegations, Berens and Hinkley
20 sought, *inter alia*, unpaid wages, premium wages, interest, penalties, attorneys' fees, and
21 injunctive relief pursuant to Labor Code §§ 201, 202, 226, 226.7, 510, 512, 1194, 1197,
22 1197.1, 1198, PAGA, and Business & Professions Code §§ 17200 *et seq.*

23 .

24 5. American believes that the claims and allegations in the *Esteban Lawsuit*,
25 the *Berens Lawsuit*, and the *Sykes* allegations (collectively, the "Lawsuits") are meritless,
26 and contends that at all times it has complied with relevant California law to the extent that
27 said law applies to the Settling Class.

6. On August 18, 2022, the Settling Parties attended a full day remote/virtual mediation before private mediator Jill Sperber of Sperber Dispute Resolution, a highly regarded mediator who is intensely familiar with employment class actions lawsuits. The case did not settle that day, but the parties ultimately accepted a mediator's proposal to resolve the matter on August 25, 2022.

7. Over the course of the Lawsuit, the Settling Parties have engaged in significant discussion of the validity of the legal claims at issue and have exchanged extensive documents and information, which have allowed the Settling Parties to fully assess the value of the claims involved. The Settling Parties have agreed to avoid further litigation and to settle and resolve the Lawsuit, as well as all existing and potential disputes, actions, lawsuits, charges, and claims that are or were raised in the Lawsuits, or could have been raised based on the facts alleged therein, that the Settling Class has or may have against American, to the fullest extent permitted by law and without any admission of liability or wrongdoing by either party. The Named Plaintiffs and their counsel have concluded that the Settlement is fair, reasonable, and in the best interests of the Settling Class and respectfully request that the Settlement be approved by the Court.

8. This Agreement shall become effective upon the “Effective Date,” as set forth in Section VII below. The Settling Parties hereby agree to do all things and to engage in all procedures reasonably necessary and appropriate to obtain final Court approval of this Agreement, in consideration for: (a) the payment by American of the consideration described herein, subject to the terms, conditions, and limitations of this Agreement; and (b) the release of all claims by the Named Plaintiffs and Settling Class Members, as described in Paragraphs 33, 56, 57, 58, and 59 of this Agreement.

II. PAYMENTS TO THE SETTLING CLASS, CLASS COUNSEL, NAMED PLAINTIFFS, AND THE SETTLEMENT ADMINISTRATOR

9. Subject to Court approval, and the provisions of this Agreement, American shall pay an aggregate total of twenty-four million United States dollars and zero cents

1 (\$24,000,000.00) (the “Gross Settlement Value” or “GSV”) in consideration for the
2 settlement of the Lawsuits and the related release of all claims the Named Plaintiffs may
3 have, and certain claims the Settling Class Members may have, against the American
4 Releasees, as contained in Paragraphs 33, 56, 57, 58, and 59 of this Agreement. One
5 million two hundred thousand United States dollars and zero cents (\$1,200,000.00) of the
6 GSV (the “PAGA Allocation”) shall be allocated to claims under PAGA.

7 10. American shall deposit the full GSV in a non-interest bearing account to be
8 established by the Settlement Administrator (as defined in Paragraph 15) no later than
9 fifteen (15) business days after American receives notice of entry of an order preliminarily
10 approving this Settlement. Should the Settlement Effective Date never be reached for any
11 reason, the Gross Settlement Amount shall be returned to American. The GSV shall remain
12 in said account, pending occurrence of the Effective Date as defined in Section VII of the
13 Agreement. The Settlement Administrator shall not disburse any portion of these funds
14 until after the Effective Date.

15 11. The GSV is the maximum amount that American shall be required to pay for
16 settlement of the Lawsuits. The GSV will cover compensation to the Settling Class,
17 payment to the State of California (Labor and Workforce Development Agency
18 (“LWDA”)) for penalties under PAGA, additional compensation to the Named Plaintiffs
19 as class representative, the cost of settlement administration and notice, the employer’s
20 share of standard payroll taxes in connection with payments hereunder, attorneys’ fees and
21 reimbursement of litigation costs and expenses to Class Counsel, and all other costs and
22 disbursements aside from the employer’s share of standard payroll taxes (as defined in
23 Sections IV and IX). This is a non-reversionary settlement, which means that once the
24 Agreement is final and effective, no part of the GSV shall revert to American. Settling
25 Class Members who do not submit a timely and valid Request for Exclusion will be
26 automatically paid without submitting any claim form.

**III.
SETTLING CLASS**

12. Solely for the purpose of effectuating this Settlement, and subject to Court approval, the Settling Parties hereby stipulate to the following “Settling Class” comprised of “Settling Class Members” defined as follows:

All individuals employed by American as California-based Flight Attendants during the period from January 18, 2015, until September 30, 2023.

For the avoidance of doubt, “California-based” means domiciled in California for purposes of the operative collective bargaining agreement. The “Settling Class Period” is defined as January 18, 2015, through September 30, 2023.

a. In addition, for the purpose of effectuating this Settlement, and subject to Court approval, the Settling Parties further stipulate to the following “PAGA Group Members” defined as follows:

All individuals employed by American as California-based Flight Attendants during the period from January 18, 2018, until September 30, 2023.

For the avoidance of doubt, “California-based” means domiciled in California for purposes of the operative collective bargaining agreement. The “PAGA Period” is defined as January 18, 2018, through September 30, 2023.

13. The individuals who meet the Settling Class and PAGA Group Members criteria described above during the Settling Class Period shall be identified by American and provided to the Settlement Administrator pursuant to Paragraph 20 of this Agreement. Persons who request exclusion from the Lawsuits pursuant to the terms of this Settlement shall not be a Settling Class Member, shall not share in the distribution of the GSV, and shall not be bound by the terms of this Settlement.

14. The certification of the Settling Class, the Settling Parties’ settlement of the Lawsuits, and their rights and obligations hereunder, are contingent upon final approval by the Court of this Agreement as to the Settling Class. The Settling Class recognizes and

agrees that – in consideration of the covenants undertaken herein by American, including, without limitation, American’s agreement to pay the full amount of the GSV – this Agreement settles certain claims the Settling Class has or may have against American to the extent set out herein.

15. Subject to Court approval, the Settling Parties agree that CPT Group, Inc. will be appointed as Settlement Administrator. The Settlement Administrator will be responsible for establishing and maintaining a non-interest bearing account for the GSV; mailing the class notices; receiving and logging adjustment forms and requests for exclusion; researching and updating addresses through skip-traces and similar means; answering questions from the Settling Class members; establishing and maintaining a settlement website, reporting on the status of the Settlement to the Settling Parties; preparing a declaration regarding its due diligence in the settlement administration process; providing the Settling Parties with data regarding the filing of adjustment forms and requests for exclusion; calculating and distributing settlement checks; calculating tax obligations; remitting any and all tax obligations to the appropriate taxing authorities (including the employer's share of standard payroll taxes); processing the PAGA Allocation; and doing such other things as the Settling Parties may direct.

**IV.
APPOINTMENT OF NAMED PLAINTIFFS' COUNSEL
AS SETTLING CLASS COUNSEL**

16. Class Counsel for the Settling Class shall be as follows:

1 Lavi & Ebrahimian, LLP; The Bainer Law Firm; The Markham Law Firm; and United
2 Employees Law Group.

3 V.
4 **SETTLEMENT APPROVAL PROCEDURES**
5 **AND NOTICE TO CLASS MEMBERS**

6 17. The Settling Parties' settlement of the Lawsuits, and their rights and
7 obligations hereunder, is expressly conditioned on both the Court's preliminary and final
8 approval of this Settlement as to the class defined in Section III of this Agreement.

9 18. Counsel for the Named Plaintiffs in the *Berens* Lawsuit shall file stipulated
10 request to stay that matter pending the implementation of this Settlement. Class Counsel
11 shall file a Second Amended Complaint in the *Esteban* Lawsuit, adding Sykes, Berens, and
12 Hinkley as Named Plaintiffs, and class and aggrieved employee representatives, and also
13 adding Sykes' allegations and the claims from the *Berens* Lawsuit, including relating the
14 Sykes' allegations back to January 18, 2015, for purposes of the operative statutes of
15 limitations.

16 19. Class Counsel shall file a motion in the *Esteban* Lawsuit requesting an order
17 which, *inter alia*, grants preliminary approval of the Settlement Agreement, certifies a class
18 for settlement purposes only, and sets a date for the settlement fairness hearing ("Final
19 Approval Hearing"). In conjunction with this request, Class Counsel shall submit this
20 Agreement, supporting papers, and proposed forms of all notices and other documents, in
21 the form attached hereto, necessary to implement the Settlement Agreement. The
22 Preliminary Approval Order shall provide for notice of the Agreement and related matters
23 ("Settlement Class Notice"), including notice of the procedure to withdraw from the Class
24 to be sent to the Settling Class as specified herein. The Preliminary Approval Order
25 submitted to the Court shall be in a form attached hereto as **Exhibit A**, and the Settlement
26 Class Notice shall be in the form attached hereto as **Exhibit B**, and as further described in
27 Paragraph 50 of this Agreement.
28

1 20. Not later than fifteen (15) business days after receipt of notice of the Court's
2 entry of an Order of Preliminary Approval, and to the extent possible based on the presence
3 of information in its records, American shall provide to the Settlement Administrator, in
4 electronic form, a spreadsheet that contains the name, social security number, employee
5 number, dates of active employment in a class-qualifying capacity, and last known mailing
6 address of every Settling Class Member. American shall meet-and-confer with the
7 Settlement Administrator regarding the format of said spreadsheet and shall cooperate to
8 provide any additional information which the Settlement Administrator may request that is
9 reasonable and necessary for the purpose of giving Class Notice, allocating and distributing
10 the GSV, and otherwise administering this Agreement.

11 21. Not later than ten (10) business days after receipt of the information
12 described in Paragraph 20 of this Agreement, the Settlement Administrator shall mail the
13 Settlement Class Notice to all Settling Class Members whose address information is known.
14 This mailing will be sent by first-class U.S. mail. Before mailing the Settlement Class
15 Notice, the Settlement Administrator shall run the Class member addresses through the U.S.
16 Postal Service's Change of Address Database.

17 22. The Settlement Administrator shall make such further efforts as are possible
18 and reasonable (if any), to provide the Settlement Class Notice to Settling Class Members
19 whose original Settlement Class Notice is returned as undeliverable, provided that all such
20 efforts shall be completed by the forty fifth (45th) calendar day after the Settlement Class
21 Notice is mailed. The Settlement Administrator shall document all efforts under this
22 Section V and keep such documentation for a period of four (4) years from the date of the
23 Court's final approval of the settlement. Any response from Class Members (i.e., a dispute
24 regarding calculations of work weeks, a Request for Exclusion, or an objection) will be
25 due to Settlement Administrator within twenty-one (21) days from the date of re-mailing.

26 23. The Settlement Administrator shall set up and maintain a website to post the
27 Notice and provide other relevant information for Class Members about the Settlement.
28

1 The uniform resource locator (URL) of said website shall not contain the terms “American”
2 or “American Airlines” or similar identifier.

3 **VI.**

4 **PROCEDURE FOR OBJECTIONS AND OPT-OUTS**

5
6 24. If any Settling Class Member believes that the proposed Settlement should
7 not be approved by the Court for any reason, the Settling Class Member may object by: (1)
8 filing a signed written objection in which the Settling Class Member provides their name,
9 address, and telephone number and states the basis for an objection with the Court and
10 whether they are represented by counsel; (2) serving a copy of the objection on the
11 Settlement Administrator; and (3) sending copies of the objection to counsel for the Named
12 Plaintiffs and counsel for American. Settling Class Members may also object by appearing
13 at the hearing for Final Approval, without the prior submission of a written objection.

14 25. Class members are requested to submit written objections within forty-five
15 (45) days from the date the Settlement Class Notice is first mailed, subject to the re-mailing
16 provision of paragraph 22, above. Class members will also be notified by the Settlement
17 Class Notice that they may appear at the Court hearing scheduled for final approval of the
18 Settlement to have objections heard by the Court, and that if they wish to be represented
19 by counsel, they have to retain counsel at their own cost. Any attorney who represents an
20 individual objecting to the Settlement must file a Notice of Appearance with the Court and
21 timely serve counsel for all parties. All objections or other correspondence must state the
22 name and number of the case, which is *Esteban v. American Airlines, Inc.*, Case No.
23 20STCV47361 (Los Angeles Superior Court). If the Class Member intends to use any
24 document(s) to support his or her objection, a copy of the document(s) should be included
25 with the written objection at the time of submission. Class Counsel and/or Defendant may
26 file a response to any objection no later than ten (10) court days before the Final Approval
27 Hearing.
28

26. Any Settling Class Member who does not want to participate in this Settlement may “opt-out” of the Settlement by mailing a written request for exclusion to the Settlement Administrator. Requests for exclusions must be post-marked no later than forty-five (45) calendar days after the Settlement Class Notice is first mailed, subject to the re-mailing provision of paragraph 22, above. For a request for exclusion to be valid, it must be actually received by the Settlement Administrator and contain the name and signature of the Settling Class Member. PAGA Group Members will participate in the settlement of the PAGA claim, irrespective of whether they have requested to be excluded from the Settlement Class and will release any and all claims for relief or causes of action pursuant to the PAGA that were alleged or that reasonably could have been alleged based on the facts alleged in the operative amended complaint.

27. If a Class member submits both a timely and valid Adjustment Form and a timely and valid request for exclusion, the latter-filed shall be determinative. If the two documents are filed simultaneously, and both are timely and valid, the Settlement Administrator shall attempt to contact the individual and determine his or her intent. If this attempt is unsuccessful, the request for exclusion shall be deemed invalid and the Settling Class Members shall be bound by and have the right to receive a payment through this Settlement.

28. A Settling Class Member who timely complies with the exclusion procedures set forth herein shall be excluded from the Settling Class, shall have no standing to object to or otherwise be heard by the Court and/or on appeal with respect to any aspect of this Agreement, and shall be ineligible for any benefits of this Agreement.

29. In addition to the list discussed in Paragraph 37, the Settlement Administrator shall stamp the date received on the original of any request for exclusion it receives and serve copies of the request(s) for exclusion on counsel for American within three (3) business days after receipt thereof.

VII.

THE EFFECTIVE DATE

30. This Agreement shall become final and effective (the “Effective Date”) on the occurrence of all of the following events described in Paragraphs 30 through 34.

31. Entry by the Court of an Order of Preliminary Approval as discussed in Paragraph 19 of this Agreement, and appointment of a Settlement Administrator as described in Paragraph 15 of this Agreement.

32. Class Counsel filing, at or before the Final Approval Hearing, a declaration from the Settlement Administrator:

(a) Certifying that Class Notice to each Settling Class Member was sent in accordance with Sections V and XI of this Agreement and the Preliminary Approval Order;

(b) Setting out the number of Class Notices that were returned as undeliverable, and any efforts under Paragraphs 21 and 22 with regard to same; and

(c) Delineating the number of putative Settling Class Members who submitted timely requests for exclusion and providing participation metrics measured by both headcount and workweeks on a percentage and absolute numbers basis.

33. Entry by the Court of an Order and Judgment Granting Final Approval. The Settling Parties shall jointly prepare and lodge a proposed Order and Judgment to this effect in advance of the Final Approval Hearing, which shall reflect, *inter alia*: that the Settlement is effective as a release of all claims set out in Paragraph 56 as to all individuals who did not exclude themselves from the Settlement, including those who did not cash a check or receive a payment; and the Court’s approval of the settlement pursuant to the terms of this Agreement, including but not limited to the releases set out in Paragraphs 56, 57, 58, and 59.

34. The occurrence of the “Effective Date of Judgment,” which shall be deemed to be the last to occur of the following:

1 (a) If an appeal or other review is not sought from the Order and
2 Judgment Granting Final Approval, the sixty-fifth (65th) calendar day after entry of
3 the judgment; or

4 (b) If an appeal or other review is sought from the Order and Judgment
5 Granting Final Approval by a Settling Class Member, the day after the trial court's
6 judgment is affirmed or the appeal or other review is dismissed or denied, and the
7 judgment is no longer subject to judicial review or other challenge.

8 35. Once the Effective Date has occurred, the Settling Parties will stipulate to the
9 dismissal of the class action allegations from the *Berens* Lawsuit without prejudice and
10 dismissal of the PAGA claim without prejudice. Following the dismissal of the class action
11 allegation and PAGA claim without prejudice, Plaintiffs in the *Berens* Lawsuit will file a
12 request for the dismissal of the remaining individual wage claims with prejudice.

13 **VIII.**
14 **EFFECT OF NON-APPROVAL,**
15 **FAILURE OF THE EFFECTIVE DATE TO OCCUR, OPT-OUTS**
16 **IN EXCESS OF FIVE PERCENT**

17 36. If any one of the events specified in Section VII do not occur, this Agreement
18 shall be voidable at American's discretion, and any portion of the GSV previously
19 deposited with the Settlement Administrator shall immediately be returned to American.

20 37. The Settlement Administrator shall provide written notice to Class Counsel
21 and counsel for American no later than five (5) business days after the Notice Period
22 Deadline with a complete list of all putative Settling Class Members who have timely
23 requested exclusion from the class and the number of workweeks associated with each.
24 American, in its sole and independent discretion, shall have the right, but not the obligation,
25 to revoke this Agreement if requests for exclusion from the settlement are filed by five
26 percent (5%) or more of the Settling Class, measured on a headcount or workweek basis.

38. American must exercise its option under Paragraph 36, if at all, within fifteen (15) business days after receipt of the list of all excluded Class members referenced in Paragraph 37.

39. In the event that the Agreement is voided pursuant to Paragraphs 36 or otherwise, then the following shall apply:

(a) Nothing in this Agreement shall be construed as a determination, admission, or concession of any substantive or procedural issue in the Lawsuits, and nothing in this Agreement may be offered into evidence in any hearing or trial, or in any subsequent pleading or in any subsequent judicial, arbitral, or administrative proceeding;

(b) The Second Amended Complaint in the *Esteban* Lawsuit shall be replaced by a Third Amended Complaint that is an exact copy of the First Amended Complaint, upon which amendment the stays in the *Berens* Lawsuit will be lifted;

(c) This Agreement shall be without force or effect, and the Lawsuits will continue to be litigated as if this Agreement never existed; and

(d) The Settling Parties expressly reserve their rights with respect to the prosecution and defense of the Lawsuits as if this Agreement never existed; and

(e) American shall bear any costs for notice or settlement administration incurred by the Settlement Administrator through that date.

IX.
ATTORNEYS' FEES, COSTS AND EXPENSES, AND ENHANCEMENT
AWARDS

40. The Lawsuits alleges a potential claim for attorneys' fees and costs pursuant to, *inter alia*, the California Labor Code and the California Business & Professions Code. The Settling Parties agree that any and all such claims for attorneys' fees and costs have been settled in this Agreement.

41. American recognizes that Class Counsel will apply to the Court for an award of: (i) attorneys' fees in an amount up to, but not more than, thirty five (35%) of the GSV;

1 and (ii) reasonable and necessary costs and expenses (including expenses incurred by
2 Named Plaintiffs in the prosecution of this action) in an amount up to, but not more than,
3 sixty thousand dollars (\$60,000.00), as documented on an itemized cost sheet with
4 appropriate support. American will not oppose Class Counsel's application under this
5 Paragraph 41 and the Named Plaintiffs, Class Counsel, and Settling Class Members shall
6 not seek payment of attorneys' fees or reimbursement of costs or expenses except as set
7 forth herein. Class Counsel's application under this Paragraph 41 shall be scheduled for
8 determination at the Final Approval Hearing. The attorneys' fees shall be allocated
9 between the firms that serve as Class Counsel as set forth in their fee-sharing agreement,
10 which will be disclosed to the Court as part of filing the motion for preliminary approval,
11 if so required.

12 42. American recognizes that, at the same time the application under Paragraph
13 41 is made, Class Counsel will also apply to the Court for an additional award to Named
14 Plaintiffs, in an amount not to exceed one hundred five thousand U.S. dollars and no cents
15 (\$105,000.00) (\$30,000.00 for Plaintiffs Esteban, Berens, and Hinkley and \$15,000 for
16 Plaintiff Sykes), as reasonable additional compensation for the time and effort expended
17 by her in connection with the initiation and maintenance of the Lawsuits and in
18 consideration for the additional release set out in Paragraph 57 (the "Enhancement
19 Award"). American will not oppose Class Counsel's application under this Paragraph 42
20 and the Named Plaintiffs, Class Counsel, and Settling Class Members shall not seek
21 payment of any additional enhancement awards except as set forth herein. Any
22 Enhancement Award will be in addition to any amount Named Plaintiffs may be entitled
23 to receive on account of their own individual claims pursuant to Section XI of this
24 Agreement. Class Counsel's application under this Paragraph 42 shall be scheduled for
25 determination at the Final Approval Hearing.

26 43. Any awards pursuant to Paragraphs 41 and/or 42 will be funded solely and
27 completely from the GSV.
28

44. If the Court does not approve the total amount of attorneys' fees, costs, and/or Enhancement Award requested by Class Counsel pursuant to Paragraphs 41 and/or 42 of this Agreement, any remaining portion of requested amount will be added to the Net Settlement Value (as that term is defined in Paragraph 46(e) of this Agreement). The Settlement Administrator shall recalculate the Class Member payments to account for any reduction in the amount of attorneys' fees, costs and/or Enhancement Award made by the Court.

45. Any proceedings or Court decisions related to Class Counsel's application for attorneys' fees, costs and expenses, and/or Enhancement Award shall not terminate or cancel this Agreement, or otherwise affect the finality of the Court's Order and Judgment Granting Final Approval or the settlement of this Lawsuits. However, if the Court approves a lesser amount of attorneys' fees, litigation costs, or Enhancement Award than those sought by Named Plaintiffs and her counsel, Named Plaintiffs reserves the right to appeal any amount disallowed by the Court, with the understanding that regardless of the outcome of Plaintiff's appeal, this Settlement shall still be binding.

X. PLAN OF ALLOCATION AND DISTRIBUTION OF THE SETTLEMENT

46. The GSV shall be allocated, in order, as follows:

(a) First, to any attorneys' fees and reasonable and necessary costs and expenses of Class Counsel (including expenses incurred by Named Plaintiffs in the prosecution of this action), as may be awarded by the Court pursuant to Paragraph 41 of this Agreement.

(b) Second, to any Enhancement Award, as may be awarded by the Court pursuant to Paragraph 42 of this Agreement.

(c) Third, to the State of California in the amount of nine hundred thousand U.S. Dollars and no cents (\$900,000.00) in penalties pursuant to PAGA (75% of the PAGA Allocation);

1 (d) Fourth, to the costs and expenses incurred by, or fees imposed by, the
2 Settlement Administrator in performing its duties under this Agreement, pursuant
3 to Paragraph 15 of this Agreement which are estimated at \$32,500.00.

4 (e) Fifth, to the “Net Settlement Value” or “NSV.” The Net Settlement
5 Value shall be defined as the value of the GSV less the items described in
6 Subparagraphs 46(a)-(d). The NSV shall include the Settling Class’s share of the
7 PAGA payment in the amount of three hundred thousand U.S. Dollars and no cents
8 (\$300,000.00) (*i.e.*, 25% of the PAGA Allocation). The Net Settlement Value shall
9 be allocated to the Settling Class as described in Section XI. The Settlement
10 Administrator shall be responsible for the allocation and distribution of the Net
11 Settlement Value to the Settling Class Members who submit timely Adjustment
12 Forms as set forth in Paragraph 49 herein.

13 (f) Sixth, the amount of any settlement checks that are not cashed by
14 Settling Class Members and/or PAGA Group Members as well as any portion of the
15 GSV not otherwise allocated under this Settlement shall be the Residual Amount.
16 After one hundred and eighty (180) days the Residual Amount shall be paid to the
17 Controller of the State of California to be held in the Settling Class Member’s and/or
18 PAGA Group Member’s name until claimed pursuant to the Unclaimed Property
19 Law, Code Civ. Proc. §§1500. No money will revert to American.

20 47. The Settlement Administrator shall make payments from the GSV pursuant
21 to this Section X within five (5) calendar days after the Effective Date, but only after the
22 Effective Date.

23 48. In light of the nature of the claims in the Lawsuits, for the purposes of
24 determining and/or calculating applicable taxes, eighty percent (80%) of each Class
25 Member Payment (as that term is defined in Paragraph 51 of this Agreement) shall be
26 classified as ordinary income and penalties, payable on a Form 1099, and twenty percent
27 (20%) of each Class Member Payment shall be classified as wages, payable on a Form W2.
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1 One hundred percent (100%) of the Named Plaintiffs' Enhancement Award will be
2 allocated to ordinary income, payable on a Form 1099. The payment to PAGA Group
3 Members from the PAGA Allocation will be treated as penalties with issuance of an IRS
4 Form 1099. The Named Plaintiffs and Settling Class Members shall be individually
5 responsible for any and all tax implications or obligations attributable to receipt of the
6 Enhancement Award and/or Class Member Payments. The Settlement Administrator shall
7 be responsible for generating any necessary or appropriate documents and remitting any
8 necessary monies to the appropriate agencies in connection with payments hereunder
9 (including remitting 75% of the PAGA Allocation to the State of California). American
10 shall provide the Settlement Administrator with any information reasonably necessary to
11 perform the calculations discussed in this Paragraph 45.

12 **XI.**
13 **DETERMINATION OF THE AMOUNT, PROCESSING,**
14 **AND PAYMENT OF CLASS MEMBER CLAIMS**

15 49. The Settlement Class Notice sent to each Settling Class Member shall be
16 accompanied by a separate Adjustment Form which is attached hereto as **Exhibit C**. The
17 Adjustment Form shall be individualized for each Settling Class Member with information
18 reflecting the time periods during the Class Period in which the individual was actively
19 employed in a class-qualifying capacity pursuant to the spreadsheet discussed in Paragraph
20 18 of this Agreement. Additionally, the Adjustment Form will contain the estimated dollar
21 value of the Class Member Payment, as that term is defined in Paragraph 54 of this
22 Agreement, assuming that Class Counsel's requests under Paragraphs 41 and 42 of this
23 Agreement are granted in their entirety and that all information contained in the spreadsheet
24 discussed in Paragraph 20 is correct. The Class Notice and Adjustment Form shall inform
25 each Settling Class Member that they may submit a corrected Adjustment Form, along with
26 supporting documentation, to the Settlement Administrator to the extent a Settling Class
27 Member believes that any of the information pertaining to that individual on the
28 Adjustment Form is incorrect. The Settlement Class Notice and Adjustment Form shall

1 further inform each Settling Class Member that, to be valid, the completed Adjustment
2 Form must bear a postmark reflecting a date within forty-five (45) calendar days from the
3 date of first mailing of the Settlement Class Notice (the “Notice Period Deadline”), subject
4 to the re-mailing provision of paragraph 22, above. Settling Class Members bear the
5 responsibility of ensuring that information on the Adjustment Form is correct and that any
6 Adjustment Forms submitted to the Settlement Administrator are actually received by the
7 Settlement Administrator in compliance with this Agreement.

8 50. The Settlement Class Notice shall contain the release and waiver of claims
9 against American contained in Paragraphs 56, 58, and 59 of this Agreement, and an easily
10 understood statement alerting Settling Class Members that by failing to submit a Request
11 for Exclusion the individual is executing a release and waiver of all such claims contained
12 in Paragraphs 56, 58, and 59 of this Agreement, whether or not they receive a payment.

13 51. As provided in Paragraph 20, American will provide the Settlement
14 Administrator with the information required to individualize the Adjustment Forms
15 discussed in Paragraph 49 of this Agreement. The Settlement Administrator will be solely
16 responsible for resolving any discrepancies between American’s documentation and
17 conflicting information provided by the Settling Class Member in an Adjustment Form and
18 said resolution by the Settlement Administrator shall be final and binding on all parties.
19 Once the Settlement Administrator resolves a given discrepancy, it will notify the Settling
20 Class Member of its decision in writing and within fifteen (15) calendar days. American
21 agrees to provide additional available information that is reasonable and necessary for the
22 Settlement Administrator to resolve any such discrepancies.

23 52. All putative Settling Class Members who have not returned a completed and
24 timely Request for Exclusion shall be bound by the release of claims set forth in Paragraphs
25 56, 58, and 59 of this Agreement, regardless of whether or not the actually receive payment
26 hereunder.

27 53. As soon as practicable after the Notice Period Deadline, the Settlement
28

1 Administrator shall calculate the “Per Week Payment” for use in the allocation and
2 distribution of the NSV to the Settling Class. The Per Week Payment shall be determined
3 as follows:

4 (a) The Settlement Administrator will determine, from either the
5 spreadsheet referenced in Paragraph 20 or the resolution of a dispute pursuant to
6 Paragraph 51, the number of weeks that a Settling Class member worked while
7 actively employed in a class-qualifying capacity during the Settling Class Period
8 (the “Compensable Weeks”);

9 (b) The total number of Compensable Weeks attributable to all Settling
10 Class members will then be divided into the NSV, with the number of Compensable
11 Weeks as the denominator and the NSV as the numerator, with the resulting number
12 determined to two (2) decimal places.

13 (c) The product of this calculation will be the Per Compensable Week
14 Payment.

15 (d) Twenty-five percent (25%) of the PAGA Allocation, equal to three
16 hundred thousand U.S. Dollars and no cents (\$300,000.00) shall be to be distributed to the
17 PAGA Group Members pro rata based on the number of pay periods they worked during
18 the PAGA Period compared to the total number of pay periods for all PAGA Group
19 Members during the PAGA Period (the “PAGA Payment”).

20 54. The disbursement to each Settling Class Member shall be the number which
21 results from dividing the NSV by the total Compensable Weeks worked by all Settling
22 Class Members and multiplying that number by the number of Compensable Weeks
23 worked by the individual Settling Class Member (the “Class Member Payment”).

24 55. The Settlement Administrator shall provide counsel for the Settling Parties
25 with a Final Accounting and Report not later than five (5) court days after the Effective
26 Date. This Final Accounting and Report will include the calculations discussed in this
27 Section XI.

**XII.
RELEASES**

56. **Release by Settling Class.** As of the Effective Date and in exchange for the consideration, undertakings, and covenants undertaken by American in this Agreement, including but not limited to the provisions of Paragraph 9 and Section XIII, and to the extent permitted by applicable law, the Settling Class hereby releases, discharges, and covenants not to sue American Airlines, Inc., including its predecessors, successors, affiliates, parents, subsidiaries, related companies, employees, agents, shareholders, officers, directors, attorneys, insurers, and any entity which could be jointly liable with American Airlines, Inc. or any of them (individually and collectively “the American Releasees,”) from and with respect to any and all actions, causes of action, suits, liabilities, claims, and demands whatsoever, from January 18, 2015, until December 31, 2023, which the Settling Class, or individual members thereof, has, or had against the American Releasees, or any of them, which are based on any claims that are alleged in the Lawsuits, or which reasonably could have been alleged, based on the current or prior pleadings therein, including without limitation claims for violation of: California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510512, 1194, 1197, 1197.1, 1198, and 2802; any corresponding provisions of Industrial Welfare Commission Order 9-2001; Business & Professions Code §§ 17200 *et seq.*; or any other California or local or federal law, ordinance, and/or administrative regulation relating to the claims alleged in the Lawsuits (the “Released Claims”).

(a) The Released Claims include specifically, by way of further description, but not by way of limitation, any and all claims arising out of any and all attorneys’ fees, attorneys’ costs/expenses, fines, penalties, wages, interest, restitution, liquidated damages, punitive damages, declaratory relief, and/or injunctive relief allegedly due and owing by virtue of the Released Claims referenced in this Paragraph 56, whether based on statutory, regulatory, or common

1 law (including but not limited to any such claims based on the California Labor
2 Code, Business and Professions Code, Civil Code, Order of the Industrial Welfare
3 Commission, and/or Code of Civil Procedure).

4 (b) The Settling Class Members acknowledge and/or are deemed to
5 acknowledge that they may hereafter discover claims in addition to or different from
6 those which they now know or believe to exist with respect to the Released Claims,
7 and which, if known or suspected at the time of executing this Agreement, may have
8 materially affected this release. Nevertheless, the Settling Class Members hereby
9 waive any right, claim, or cause of action that might arise as a result of such different
10 or additional claims or facts.

11 (c) **Release by PAGA Group Members:** As of the Effective Date, the
12 PAGA Group Members (including the Class Representatives), and the State of California
13 will release the American Releasees from the following claims for civil penalties pursuant
14 to Labor Code Private Attorney General Act of 2004, Labor Code §§ 2698 *et seq.*,
15 collectively referred to as the “Released PAGA Claims” from January 18, 2018, to
16 December 31, 2023: All causes of action, claims, and/or legal theories for civil penalties,
17 both potential and actual, that were alleged or reasonably could have been alleged based on
18 the facts and theories of the operative complaints in the Lawsuits, including but not limited
19 to claims for: (a) failure to pay minimum wages or overtime wages; (b) failure to provide
20 legally required meal periods; (c) failure to provide legally required rest periods; (d) failure
21 to provide accurate itemized wage statements; (e) failure to timely pay wages following
22 separation of employment; (f) failure to indemnify for necessary business expenditures; (g)
23 any other claims for civil penalties under the wage and hour laws pleaded in the Action or
24 that are based on the same predicate facts or primary rights associated with such laws; and
25 (h) all civil penalties and other amounts recoverable under said causes of action under
26 California law, to the extent permissible, including but not limited to the California Labor
27 Code and the applicable Wage Order 9 (collectively, the “PAGA Released Claims”).
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1 57. **Additional Release by Named Plaintiffs.** In exchange for the consideration,
2 undertakings, and covenants undertaken by American in this Agreement, including but not
3 limited to the provisions of Paragraph 9, and to the extent permitted by applicable law, the
4 Named Plaintiffs – in addition to the release set out in Paragraph 56 of this Agreement –
5 further hereby releases, discharges, and covenants not to sue the American Releasees with
6 respect to and from any and all claims, charges of discrimination, demands, liens,
7 agreements, contracts, covenants, actions, suits, causes of action, disputed wages,
8 obligations, debts, expenses, attorneys’ fees, damages, penalties, interest, judgments,
9 orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now
10 known or unknown, suspected or unsuspected, and whether or not concealed or hidden,
11 which they now own or hold or they have at any time heretofore owned or held, arising out
12 of or in any way connected with her employment, separation of employment, or any other
13 relationship with, the American Releasees, or any other transactions, occurrences, acts or
14 omissions or any loss, damage or injury whatever, known or unknown, suspected or
15 unsuspected, resulting from any act or omission by or on the part of said American
16 Releasees, or any of them, committed or omitted prior to the date of the Court’s order
17 granting final approval; provided, however, that claims under the Age Discrimination in
18 Employment Act, as modified by the Older Workers Benefits Protection Act, are excluded
19 (collectively, “Named Plaintiffs’ Claims”). Aside from the aforementioned limitation, the
20 parties intend the Named Plaintiffs’ release to be general and comprehensive in nature and
21 to release all Named Plaintiffs’ Claims and potential Named Plaintiffs’ Claims against the
22 American Releasees to the maximum extent permitted at law. Named Plaintiffs’ Claims
23 being released include specifically, by way of description, but not by way of limitation,
24 any and all claims arising out of or in any way related to: (i) any interactions between
25 Named Plaintiffs and the American Releasees; (ii) Named Plaintiffs’ employment,
26 separation of employment, contractual, and/or quasi-contractual relationship with the
27 American Releasees; (iii) any allegations as to disputed wages, remuneration, and/or other
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1 compensation, due by operation of statute, ordinance, contract, or quasi-contract; (iv) any
2 federal, state, or local law prohibiting discrimination or retaliation on the basis of age, race,
3 color, ancestry, religion, disability, sex, national origin, or citizenship, including, without
4 limitation, claims under Title VII, the California Fair Employment and Housing Act, the
5 California Labor Code, the California IWC Orders, the Employee Retirement Income
6 Security Act, and the Americans With Disabilities Act or any other similar statutes
7 whatever the city, county, state, or country of enactment; (v) any claims under the Family
8 and Medical Leave Act of 1993 and/or the California Family Rights Act; and (vi) any
9 transactions, occurrences, acts, statements, disclosures, or omissions occurring prior to the
10 date of the Court's order granting final approval. Expressly excluded from Named
11 Plaintiffs' Additional Release of Claims are any claims that are not able to be released or
12 waived as a matter of law.

13 58. **Waiver of California Civil Code Section 1542.** All Settling Class
14 Members (including, without limitation, the Named Plaintiffs) intend and/or are deemed to
15 intend that this Agreement should be effective as a bar to any and all of the claims released
16 by Paragraphs 56 and 57. In furtherance of this intention, all Settling Class Members
17 and/or PAGA Group Members expressly waive any and all rights or benefits conferred on
18 them by the provisions of Section 1542 of the California Civil Code, with respect to the
19 Released Claims only. Section 1542 provides as follows:

20 **“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
21 **WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT**
22 **TO EXIST IN HIS OR HER FAVOR AT THE TIME OF**
23 **EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM**
24 **OR HER MUST HAVE MATERIALLY AFFECTED HIS OR**
25 **HER SETTLEMENT WITH THE DEBTOR.”**

26 All Settling Class Members understand fully the statutory language of Civil Code §
27 1542, and, with this understanding, assume all risks for the Released Claims released
28 hereunder, whether known or unknown, suspected or unsuspected, and specifically waive
all rights they may have under California Civil Code § 1542 with regard to the Released

1 Claims only. The Settling Class Members understand that, if any of the facts relating in
2 any manner to the Lawsuits, or to the release and dismissal of claims as provided in this
3 Agreement, are hereafter found to be other than or different from the facts now believed to
4 be true, they have expressly accepted and assumed that risk and agree that this Agreement
5 and the release of claims contained herein shall nevertheless remain effective. The Settling
6 Class desires and intends, or is deemed to desire and intend, that this Agreement shall be
7 given full force and effect according to each and all of its express terms and provisions,
8 including those relating to unknown and unsuspected claims, if any, as well as those
9 relating to the claims referred in Paragraph 56 above.

10 59. The waiver contained in Paragraph 58, above, is not intended to expand the
11 nature of the claims released by the Settling Class beyond the Released Claims set out in
12 Paragraph 56, but rather is intended to ensure that the release set out in Paragraph 56 is
13 fully enforceable and is not impeded by Section 1542.

14 **XIII.**
15 **ADDITIONAL TERMS AND CONDITIONS**

16 60. Court Approval of Form of Wage Statement

17 At the same time that Class Counsel applies to the Court for final approval of the
18 Settlement, American may, at its sole election, request that the Court approve a form of
19 wage statement for use with the Settling Class. Counsel for the Settling Class and for the
20 Named Plaintiffs take no position as to whether any such wage statement may comport
21 with the requirements of California law, recognize and acknowledge Defendant, at its sole
22 discretion, may make the business decision to use any wage statement it wishes, shall not
23 object to or approve of any such application, and the Court's approval of the form of wage
24 statement (to the extent one is presented) is not a condition for the Effective Date to occur,
25 which is governed by Section VII.

1 61. Settlement Fair and Reasonable

2 Class Counsel has considerable experience in litigating and settling wage-and-hour
3 class actions of this type and is sufficiently familiar with the facts of this case and the
4 applicable laws and regulations to make an informed judgment as to the fairness of this
5 Settlement. In light of this experience, and for reasons that will be more fully explained in
6 Class Counsel's motion for preliminary approval, Class Counsel and the Named Plaintiffs
7 believe that the settlement terms herein are fair and reasonable with regard to the interests
8 of the Settling Class.

9 62. Settlement the Result of Arm's-Length Bargaining.

10 The terms of the settlement of this Lawsuits resulted from approximately a
11 year of litigation generally, as well as a full day mediation before and many follow-up
12 communications with a third-party neutral.

13 63. Notices.

14 Except for Settling Class Member notices which are required herein to be
15 made to or by the Settlement Administrator, all notices, requests, demands, and other
16 communications related to or in connection with this Agreement shall be in writing, and
17 shall be provided by appropriate method depending on the urgency (*e.g.*, personal delivery,
18 facsimile, overnight delivery, or first-class U.S. mail) to:
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TO THE SETTLING CLASS:

JOSEPH LAVI
jlavi@lelawfirm.com
VINCENT C. GRANBERRY
vgranberry@lelawfirm.com
LAVI & EBRAHIMIAN, LLP
8889 W. Olympic Blvd., Suite 200
Beverly Hills, California 90211
Telephone: (310) 432-0000
Facsimile: (310) 432-0001

MATTHEW R. BAINER
mbainer@bainerlawfirm.com
THE BAINER LAW FIRM
1901 Harrison St., Suite 1100
Oakland, California 94612
Telephone: (510) 922-1802
Facsimile: (510) 844-7701

DAVID R. MARKHAM
dmarkham@markham-law.com
MAGGIE REALIN
mrealin@markham-law.com
THE MARKHAM LAW FIRM
888 Prospect Street, Suite 200
La Jolla, California 92037
Telephone: (619) 399-3995
Facsimile: (619) 615-2067

WALTER HAINES
walter@uelglaw.com
UNITED EMPLOYEES LAW GROUP
5500 Bolsa Avenue, Suite 20 I
Huntington Beach, CA 92649
Telephone: (888) 474-7242
Facsimile: (562) 256-1006

TO AMERICAN:

Adam P. KohSweeney
O'Melveny & Myers LLP
Two Embarcadero Center
San Francisco, CA 94111-3823
Telephone: 415-984-8912
Facsimile: 415-984-8701

64. No Admission of Liability.

Nothing herein shall constitute any admission by American of wrongdoing or liability or of the truth of any factual allegations in the Lawsuits. Nothing herein shall constitute an admission by American that the Lawsuits was properly brought as a class or

1 representative action other than for settlement purposes. To the contrary, American has
2 denied and continues to deny each and every material factual, procedural, and/or legal
3 allegation and alleged claim asserted in the Lawsuits and has contended throughout that it
4 has employment policies in place that meet or exceed the requirements of applicable law.
5 To this end, the settlement of the Lawsuits, the negotiation and execution of this Agreement,
6 and all acts performed or documents executed pursuant to or in furtherance of this
7 Agreement or the settlement: are not, shall not be deemed to be, and may not be used as,
8 an admission or evidence of any wrongdoing or liability on the part of American or of the
9 truth of any of the factual allegations in the Complaint in the Suit; and are not, shall not be
10 deemed to be, and may not be used as, an admission or evidence of any fault or omission
11 on the part of American in any civil, criminal or administrative proceeding in any court,
12 administrative agency, or other tribunal.

13 65. Modification by Writing Only.

14 This Agreement, and its terms and Exhibits, may be modified only in a
15 writing signed by all counsel of record for the parties, and will not become effective unless
16 and until approved by the Court or otherwise as ordered by the Court.

17 66. Representations.

18 (a) The Named Plaintiffs and Class Counsel represent that they are
19 presently unaware of any other lawsuit or administrative proceeding which alleges
20 any of the claims asserted by the Lawsuit.

21 (b) The Named Plaintiffs, on behalf of themselves and the Settling Class,
22 has expressly authorized Class Counsel to take all appropriate action required or
23 permitted to be taken pursuant to this Agreement to effectuate its terms.

24 (c) Each attorney executing this Agreement or any of its Exhibits on
25 behalf of any party hereto hereby warrants that full authority to do so has been given
26 by his/her client(s).

1 (d) American, Class Counsel, and Named Plaintiffs waive their right to
2 file an appeal, writ, or any challenge whatsoever to the terms of this Agreement;
3 provided, however, that Class Counsel and the Named Plaintiffs may appeal the
4 Court's determinations with regard to the requests set out in Paragraphs 41 and 42.
5 Consistent with Paragraph 45, however, any such appeal will have no effect
6 whatsoever on the other terms and provisions of this Agreement, including, by way
7 of example but not of limitation, the releases set out in Paragraphs 56, 57, 58, and
8 59.

9 (e) The Settling Parties represent and agree that neither have received
10 and/or relied upon any advice and/or representations from the other party and/or its
11 attorneys as to the necessity for withholding or the taxability of the consideration
12 paid pursuant to this Agreement, whether pursuant to federal, state, or local income
13 tax statutes or otherwise.

14 67. Further Cooperation.

15 The Settling Parties and their respective counsel of record shall proceed
16 diligently to prepare and execute all documents, to seek the necessary Court approvals, and
17 to do all other things reasonably necessary to conclude this Settlement.

18 68. Construction and Integration.

19 This Agreement, including its exhibits, constitutes the entire agreement and
20 understanding between the Settling Parties, and supersedes any previous agreements or
21 understandings between the Settling Parties. No representations, warranties, or
22 inducements have been made to any party concerning the subject matter of this Agreement
23 and/or exhibits other than the representations, warranties, and covenants contained in such
24 documents. This Agreement and related exhibits shall be construed each as a whole, and
25 with reference to one another, according to their fair meaning and intent. Each of the
26 Settling Parties represent that its/her counsel has participated and cooperated in the drafting
27 and preparation of this Agreement and related exhibits; hence, in any construction to be
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1 made of this Agreement and/or exhibits, the same shall not be construed against any party
2 on the basis that said party was the drafter.

3 69. Governing Law.

4 This Agreement and the Exhibits hereto shall be deemed to have been
5 negotiated, executed, and delivered, and to be wholly performed, in the State of California.
6 The rights and obligations of the parties under the Agreement shall be construed and
7 enforced in accordance with, and be governed by, the substantive and procedural laws of
8 the State of California without regard to California's choice of law principles.

9 70. Counterparts.

10 This Agreement may be executed in one or more faxed or e-mailed
11 counterparts, which may be filed with the Court. All executed counterparts, and each of
12 them, shall be deemed to be one and the same instrument. Once available, a complete set
13 of executed counterparts shall be filed with the Court. Copies of the complete set of
14 executed counterparts may be used for all purposes in lieu of the originals and shall have
15 the same force and effect as the originals.

16 71. Attorneys' Fees, Costs, and Expenses.

17 Except as otherwise specifically provided for herein, each party shall bear
18 its/her own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by them in
19 or arising out of the Lawsuit, and shall not seek reimbursement thereof from any other
20 party to this Agreement.

21 72. Publicity.

22 The Named Plaintiffs and Class Counsel agree that they will not publicize or
23 announce this Settlement in a press release or marketing materials or on the internet. This
24 provision shall not bar: (i) the Named Plaintiffs nor Class Counsel from responding to
25 affirmative inquiries initiated by the press (in which case the response shall be limited to
26 that fact that "the parties have mutually agreed to settle certain claims to avoid the
27 uncertainties of litigation") and by Settling Class Members; (ii) the Settling Parties or their
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1 counsel from informing Class members about the Settlement and ensuring that all Class
2 members have notice of the Settlement; or (iii) posting publicly available information on
3 Class Counsels' websites.

4 73. Continuing Jurisdiction.

5 Except as otherwise specifically provided for herein, the Superior Court of
6 the State of California, County of Los Angeles, shall retain jurisdiction to construe,
7 interpret, and enforce this Agreement and the settlement; to supervise all notices, the
8 administration of the settlement and this Agreement, and distribution of the GSV; and to
9 hear and adjudicate any dispute arising from or related to the settlement and/or this
10 Agreement.

11 74. Calculation of Time

12 To the extent that any timeframe set out in this Agreement is ambiguous, said
13 ambiguity shall be resolved by applying the conventions contained in California Code of
14 Civil Procedure §§ 12-12c.

15 75. The Parties have stipulated to stay any and all deadline(s) to bring the
16 Lawsuits to trial, including pursuant to California Civil Code section 583.320. This stay
17 shall remain in place until such time as the Settlement is either approved or nullified, as
18 set forth herein.

19
20
21 **IN WITNESS WHEREOF**, the undersigned Settling Parties and their duly
22 authorized representatives accept and agree to the terms of this Agreement and hereby
23 execute it voluntarily and with a full understanding of its consequences.

24 Aldibert S. Esteban

25 Aldibert Esteban
26 Named Plaintiff and PAGA
27 Representative

Aug 17, 2023

Date

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Maisha Sykes
Named Plaintiff and Class and
PAGA Representative

Date

Deborah Berens
Named Plaintiff and Class and
PAGA Representative

Date

Linda Hinkley
Named Plaintiff and Class and
PAGA Representative

Date

Priya R. Aiyar, Executive Vice
President, Corporate Affairs and
Chief Legal Officer, for and on
behalf of American Airlines, Inc.

Date

APPROVED AS TO FORM:

THE MARKHAM LAW FIRM
David R. Markham
Maggie Realin
Lisa Brevard

**UNITED EMPLOYEES LAW
GROUP**
Walter Haines

August 16, 2023

By: David R. Markham
Attorneys for Plaintiff Aldibert
Esteban and all others similarly
situated

Date

LAVI & EBRAHIMIAN, LLP

Joseph Lavi

Vincent C. Granberry

By: Vincent C. Granberry
Attorneys for Plaintiff Maisha
Sykes and all others similarly
situated

Date

THE BAINER LAW FIRM

Matthew R. Bainer

By: Matthew R. Bainer
Attorneys for Plaintiffs Deborah
Berens and Linda Hinkley

Date

O'MELVENY & MYERS LLP

Adam P. KohSweeney

Kristin M. MacDonnell

Molly Edgar

By: Adam P. KohSweeney
Attorneys for Defendant
American Airlines, Inc.

Date

DocuSigned by:

Maisha Sykes

August 18, 2023

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Maisha Sykes
 Named Plaintiff and Class and
 PAGA Representative

Date

Deborah Berens
 Named Plaintiff and Class and
 PAGA Representative

Date

Linda Hinkley
 Named Plaintiff and Class and
 PAGA Representative

Date

Priya R. Aiyar, Executive Vice
 President, Corporate Affairs and
 Chief Legal Officer, for and on
 behalf of American Airlines, Inc.

Date

APPROVED AS TO FORM:**THE MARKHAM LAW FIRM**

David R. Markham
 Maggie Realin
 Lisa Brevard

UNITED EMPLOYEES LAW GROUP

Walter Haines

David R. Markham

August 16, 2023

By: David R. Markham
 Attorneys for Plaintiff Aldibert
 Esteban and all others similarly
 situated

Date

DS
B

LAVI & EBRAHIMIAN, LLP

Joseph Lavi

Vincent C. Granberry

DocuSigned by:

Vincent C. Granberry

August 18, 2023

By: Vincent C. Granberry

Date

Attorneys for Plaintiff Maisha
Sykes and all others similarly
situated

THE BAINER LAW FIRM

Matthew R. Bainer

By: Matthew R. Bainer
Attorneys for Plaintiffs Deborah
Berens and Linda Hinkley

Date

O'MELVENY & MYERS LLP

Adam P. KohSweeney

Kristin M. MacDonnell

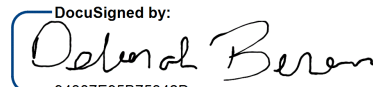
Molly Edgar

By: Adam P. KohSweeney
Attorneys for Defendant
American Airlines, Inc.

Date

Maisha Sykes
 Named Plaintiff and Class and
 PAGA Representative

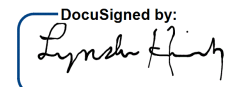
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8/20/2023

Deborah Berens
 Named Plaintiff and Class and
 PAGA Representative

Date

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8/18/2023

Linda Hinkley
 Named Plaintiff and Class and
 PAGA Representative

Date

Steve Johnson, Vice Chair and
 Chief Strategy Officer, for and on
 behalf of American Airlines, Inc.

Date

APPROVED AS TO FORM:

THE MARKHAM LAW FIRM
 David R. Markham
 Maggie Realin
 Lisa Brevard

**UNITED EMPLOYEES LAW
 GROUP**
 Walter Haines

By: David R. Markham
 Attorneys for Plaintiff Aldibert
 Esteban and all others similarly
 situated

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Maisha Sykes
Named Plaintiff and Class and
PAGA Representative

Date

Deborah Berens
Named Plaintiff and Class and
PAGA Representative

Date

Linda Hinkley
Named Plaintiff and Class and
PAGA Representative

Date

Stephen L. Johnson, Vice Chair
and Chief Strategy Officer, for and
on behalf of American Airlines,
Inc.

Date

APPROVED AS TO FORM:

THE MARKHAM LAW FIRM
David R. Markham
Maggie Realin
Lisa Brevard

**UNITED EMPLOYEES LAW
GROUP**
Walter Haines

By: David R. Markham
Attorneys for Plaintiff Aldibert
Esteban and all others similarly
situated

Date

LAVI & EBRAHIMIAN, LLP

Joseph Lavi
Vincent C. Granberry

Date

By: Vincent C. Granberry
Attorneys for Plaintiff Maisha
Sykes and all others similarly
situated

THE BAINER LAW FIRM

Matthew R. Bainer



August 18, 2023

Date

By: Matthew R. Bainer
Attorneys for Plaintiffs Deborah
Berens and Linda Hinkley

O'MELVENY & MYERS LLP

Adam P. KohSweeney
Kristin M. MacDonnell
Molly Edgar


21 Aug 2023

Date

By: Adam P. KohSweeney
Attorneys for Defendant
American Airlines, Inc.

EXHIBIT A

David R. Markham (SBN 71814)
dmarkham@markham-law.com
Maggie Realin (SBN 263639)
mrealin@markham-law.com
Lisa Brevard (SBN 323391)
lbrevard@markham-law.com
THE MARKHAM LAW FIRM
888 Prospect St., Suite 200
La Jolla, California 92037
Tel.: 619.399.3995 / Fax: 619.615.2067

Walter L. Haines (SBN 071075)
walter@whaines.com
UNITED EMPLOYEES LAW GROUP
5500 Bolsa Avenue, Suite 203
Huntington Beach, California 92649
Tel.: 310.234.5678 / Fax: 310.652.2242

List of counsel continued on next page.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

ALDIBERT ESTEBAN, an individual, on
behalf of himself and all others similarly
situated,

Plaintiff,

v.

AMERICAN AIRLINES, INC., a Delaware
Corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 20STCV47361

Assigned for all purposes to Hon. Mel Red
Recana, Dept. 45

**[PROPOSED] ORDER GRANTING
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT**

[RESERVATION ID: 20STCV47361]

Hearing Information:

Date: September 13, 2023

Time: 8:30 a.m.

Dept.: 45

1 Joseph Lavi, Esq. (SBN 209776).
Email: jlavi@lelawfirm.com
2 Vincent C. Granberry, Esq. (SBN 276483)
Email: vgranberry@lelawfirm.com
LAVI & EBRAHIMIAN, LLP
3 8889 W. Olympic Blvd., Suite 200
Beverly Hills, California 90211
4 Telephone: (310) 432-0000
Facsimile: (310) 432-0001

5 Matthew R Bainer, Esq. (SBN 220972)
6 **THE BAINER LAW FIRM**
1901 Harrison St., Suite 1100
7 Oakland, California 94612
Telephone: (510) 922-1802
8 Facsimile: (510) 844-7701
Email: mbainer@bainerlawfirm.com

9
10 Attorneys for Plaintiffs Aldibert Esteban, Maisha Sykes, Deborah Berens,
and Linda Hinkley
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1 Plaintiffs' Motion for Preliminary Approval of Class and Representative Action Settlement
2 came before the Court on September 13, 2023.

3 Having considered the proposed settlement agreement and class notice; the Motion for
4 Preliminary Approval of Class Action Settlement filed by Plaintiffs; and good cause appearing,
5 **HEREBY ORDERS THE FOLLOWING:**

6 The Court grants preliminary approval of the settlement and finds the terms to be within the
7 range of reasonableness of a settlement that ultimately could be granted approval by the Court at the
8 final Fairness Hearing. For purposes of the settlement, the Court finds that the proposed settlement
9 class is ascertainable and that there is a sufficiently well-defined community of interest among the
10 Class in questions of law and fact. Therefore, for settlement purposes only, the Court grants
11 conditional certification of the following "Settling Class Members" defined as: All individuals
12 employed by American as California-based Flight Attendants during the period from January 18,
13 2015, until September 30, 2023.

14 1. For purposes of the settlement, the Court further designates named Plaintiffs Aldibert
15 Esteban, Deborah Berens, Linda Hinkley, Maisha Sykes as Class Representatives, and Joseph Lavi
16 and Vincent C. Granberry of Lavi & Ebrahimian LLP; Matthew Bainer of the Bainer Law Firm;
17 David Marham, Maggie Realin, and Lisa Brevard of the Markham Law Firm; and Walter Haines of
18 United Employees Law Group as Class Counsel.

19 2. The Court confirms CPT Group, Inc. as the Settlement Administrator.

20 3. Within three (3) court days of this Order, Plaintiffs shall file their consolidated Second
21 Amended Complaint ("SAC") attached as **Exhibit 3** to the Declaration of Vincent Granberry filed in
22 support of Plaintiffs' motion for preliminary approval. Defendant will be deemed to have generally
23 denied the allegations of the SAC without the need to file and serve an Answer thereto. Should, for
24 whatever reason, the settlement set forth in this Settlement Agreement not become final, the SAC
25 shall be deemed stricken without further order of the Court.

26 4. A final fairness hearing on the question of whether the proposed settlement should be
27 finally approved as fair, reasonable and adequate as to the members of the Settlement Class is
28 scheduled in Department 45 of this Court, located at 111 North Hill Street, Los Angeles, California

1 90012, on _____, 2023/2024 at _____. The Court reserves the right to
2 adjourn or continue the date of the final approval hearing and all dates provided for in this Order
3 without further notice to Class Members and retains jurisdiction to consider all further applications
4 arising out of or connected with the proposed Settlement.

5 5. At the final fairness hearing, the Court will consider: (a) whether the settlement should
6 be approved as fair, reasonable, and adequate for the class; (b) whether a judgment granting approval
7 of the settlement should be entered; and (c) whether Plaintiffs' application for an award of attorneys'
8 fees, reimbursement of litigation expenses, and class representative enhancement should be granted.

9 6. The Court approves, as to form and content, the Class Notice attached to the Settlement
10 Agreement as **Exhibit "B."**

11 7. The Court directs the mailing of the Class Notice by first class mail to the members of
12 the Class on or before the deadline to mail the notice packet pursuant to the Settlement Agreement.

13 8. The Court finds that the form of notice to the Class Members regarding the pendency
14 of the action and of this settlement, and the methods of giving notice to members of the Class
15 Members to constitute the best notice practicable under the circumstances and constitute valid, due,
16 and sufficient notice to all members of the Class. The notice complies fully with the requirements of
17 California Code of Civil Procedure section 382, California Civil Code section 1781, California Rules
18 of Court 3.766 and 3.769, the California and United States Constitutions, and other applicable law.

19 9. The Court further approves the procedures for Class Members to participate in, opt out
20 of, or object to the Settlement, as set forth in the settlement agreement and class notice. The
21 procedures and requirements for filing objections in connection with the fairness hearing are intended
22 to ensure the efficient administration of justice and the orderly presentation of any Class Member's
23 objection to the Settlement Agreement, in accordance with the due process rights of all Class
24 Members.

25 10. Pending the Fairness Hearing, all proceedings in this action, other than proceedings
26 necessary to carry out or enforce the terms and conditions of the settlement agreement and this Order,
27 are stayed. To facilitate administration of the Settlement pending final approval, this Court hereby
28 enjoins Class Members from filing or prosecuting any claims, suits or administrative proceedings

(including filing claims with the California Department of Industrial Relations, Division of Labor Standards Enforcement (DLSE)) regarding claims released by the settlement unless and until such Class Members have filed valid Requests for Exclusion with the Settlement Administrator in this case.

11. Counsel for the parties are hereby authorized to utilize all reasonable procedures in connection with the administration of the settlement which are not materially inconsistent with either this Order or the terms of the Settlement Agreement.

12. The Court orders the following schedule for further proceedings:

EVENT	TIMING
Preliminary Approval	
Deadline for Plaintiffs to file consolidated Second Amended Complaint ("SAC")	Not later than three (3) court days after Preliminary Approval.
Last Day for Defendant to provide the class member data to the Settlement Administrator	Not later than fifteen (15) business days after receipt of notice of the Court's entry of an Order of Preliminary Approval
Notice Date: last day for Settlement Administrator to mail the Class Notice	Not later than ten (10) business days after receipt of the class member data
Document Receipt Deadline, i.e., the Deadline for Objections, Exclusion Requests, and Disputes	45 days after the Notice Date, unless extended by re-mailing.
Deadline to file motion for final approval and supporting documents	16 court days prior to the final approval hearing
Deadline to file a response to an objection	No later than 10 court days prior to the final approval hearing
Hearing on final approval of class action settlement	

13. The Court reserves the right to adjourn or continue the date of the Settlement Fairness Hearing and all dates provided for in the Stipulation without further notice to the Class, and retains jurisdiction to consider all further applications arising out of or connected with the Stipulation.

IT IS SO ORDERED.

Dated: _____

Hon. Mel Red Recana
Judge of the Superior Court

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY LOS ANGELES

NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

ALDIBERT ESTEBAN, et al., on behalf of themselves and all others similarly situated, Plaintiff, v. AMERICAN AIRLINES, INC., a Delaware Corporation; and DOES 1 through 10, inclusive, Defendants.	Case No.: 20STCV47361 Judge: Honorable Mel Red Recana Department: 45 NOTICE OF CLASS ACTION SETTLEMENT
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I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Aldibert Esteban, et al. v. American Airlines, Inc.*, (Case No. 20STCV47361) (the “Action”). You are receiving this notice because the records of American Airlines, Inc. (“American”) indicate that you are a current or former employee employed by American as a California-based Flight Attendant during the period from January 18, 2015, until September 30, 2023 (the “Settling Class”). As a result, you are eligible to receive a portion of the settlement amount.

This is not a notice of a lawsuit against you. **You are not being sued.** Your participation in the Settlement will not affect your employment with American in any way whatsoever.

The Court has ordered that this notice be sent to you because American’s records indicate that you are a member of the Settling Class. The purpose of this notice is to inform you of the proposed Settlement of the Action. The notice is also intended (i) to describe the Settlement, including how the Settlement monies will be allocated and how the Settlement may affect you, and (ii) to advise you of your rights and options with respect to the Settlement.

If you wish to exclude yourself from the Settlement, object and/or submit a workweek dispute, you must do so no later than , 2023. Please see Sections VI and IX of this notice.

II. WHAT IS THIS LAWSUIT ABOUT?

On December 11, 2020, Aldibert Esteban, who is employed by American as a Flight Attendant based in California, filed a Complaint in the Superior Court of the State of California for the County of Los Angeles (Case No. 20STCV47361) (the “*Esteban Lawsuit*”). Esteban filed a First Amended Complaint on February 26, 2021, which alleged, *inter alia*, that American failed

to: pay aggrieved employees for all hours worked, provide meal periods and rest breaks in compliance with California law, provide correctly itemized wage statements, timely pay wages, and timely pay wages upon separation of employment. Based on these allegations, Esteban sought, *inter alia*, penalties under the Labor Code Private Attorney Generals Act, Labor Code §§ 2698 *et seq.* (“PAGA”) for alleged violations of Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1197, and 1198, as well as a public injunction under Business & Professions Code §§ 17200 and 17203.

Maisha Sykes, who was employed by American as a Flight Attendant based in California during certain relevant time periods and who is a putative class member in a wage and hour class action of *Fowers v. American Airlines, Inc.*, Alameda County Superior Court Case No. RG19003762 (Alameda County Superior Court) which was filed against American on January 18, 2019,¹ alleges, on behalf of all current and former California-based flight attendants employed by American at any time from four, three, or one years back from January 18, 2015, forward, that, *inter alia*, that American failed to pay wages for all time worked, failed to timely pay wages, failed to indemnify and/or reimburse, failed to provide compliant wage statements, and failed to pay wages upon separation. Based on these allegations, Sykes alleges she and other flight attendants based in California are owed, *inter alia*, unpaid wages, premium wages, interest, penalties, attorneys’ fees, and injunctive relief pursuant to Labor Code §§ 201, 202, 203, 204, 226, 1194, 1197, 2802, PAGA, and Business & Professions Code §§ 17200 *et seq.* from January 18, 2015, forward.

On July 28, 2020, Deborah Berens and Linda Hinkley, both of whom were employed by American as Flight Attendants based in California during certain relevant periods, filed a lawsuit against American in San Francisco County Superior Court (Case No. CGC-20-585781) (the “*Berens*” Lawsuit) which seeks to assert claims on behalf of allegedly aggrieved employees and a putative class of all “individuals who worked for Defendants as Flight Attendants, or individuals holding similar job positions, who worked for Defendants while based out of a California base of operations, at any time during the period from four years prior to the filing of the Complaint”. Berens and Hinkley alleged that, *inter alia*, American failed to: pay overtime, pay all minimum wages, provide compliant meal periods and rest breaks, pay wages timely upon termination, and provide compliant wage statements. Based on these allegations, Berens and Hinkley sought, *inter alia*, unpaid wages, premium wages, interest, penalties, attorneys’ fees, and injunctive relief pursuant to Labor Code §§ 201, 202, 226, 226.7, 510, 512, 1194, 1197, 1197.1, 1198, PAGA, and Business & Professions Code §§ 17200 *et seq.*

For purposes of the settlement, a Second Amended Complaint was filed in the *Esteban* Lawsuit, adding Sykes, Berens, and Hinkley as Named Plaintiffs, and class and aggrieved employee representatives, and also adding the claims from the *Berens* Lawsuit and Sykes’ allegations (collectively, the “Lawsuits”), including relating back to January 18, 2015, in accordance with Sykes’ allegations, for purposes of the operative statutes of limitations.

American contends that the members of the Class have been paid all monies that were due to them, maintains that it has at all times complied with California’s wage-and-hour laws, and

¹ The *Fowers* litigation is not part of the settlement discussed herein and is proceeding separately in Alameda Superior Court.

vigorously denies any wrongdoing alleged by Plaintiffs.

The Court has not ruled on whether Plaintiffs' allegations have any merit. However, for the purpose of avoiding the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiffs and American have negotiated a settlement whereby American has agreed to pay \$24,000,000.00 to resolve the Lawsuits and Settling Class Members will be eligible to receive a portion of this amount. This settlement is not an admission by American or its affiliates of any liability.

III. WHO IS INCLUDED IN THIS ACTION?

All individuals employed by American as California-based Flight Attendants during the period from January 18, 2015, until September 30, 2023. The "Settling Class Period" is defined as January 18, 2015, through September 30, 2023.

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the parties' proposed settlement, the following will occur if the settlement is given final approval by the Court:

A. American will pay Twenty-Four Million Dollars and no cents (\$24,000,00.00) to settle the claims of the Settling Class.

B. A settlement administrator has been appointed by the Court to administer the settlement. The settlement administrator will pay from the \$24,000,000.00: (1) Plaintiffs' counsel's attorneys' fees, up to \$8,400,000; (2) Plaintiffs' counsel's actual out of pocket litigation costs, up to \$60,000; (3) the expenses of administering the settlement, estimated at \$32,500.00; (4) an enhancement award not to exceed \$30,000.00 to each Plaintiffs Esteban, Berens, and Hinkley as class representatives and \$15,000.00 to Plaintiff Sykes as class representative (\$105,000.00 total); (5) A payment of \$900,000.00 to the California Labor & Workforce Development Agency, representing 75% of the \$1,200,000.00 allocated to the settlement of Plaintiffs' claim for penalties under PAGA, and \$300,000.00 to PAGA Group Members, representing 25% of the \$1,200,000.00 allocated to the settlement of Plaintiffs' claim for penalties under PAGA during the PAGA Period (January 18, 2018, through September 30, 2023). The remainder of the \$24,000,000.00 (the "Net Settlement Value" or "NSV") will be available to make individual settlement payments to Settling Class members.

C. The amount to be distributed to the Settling Class will be divided among all Settling Class members. The amount of money Settling Class members will receive (the "Class Member Payment") will be calculated as follows: (a) The Settlement Administrator will determine the number of weeks that a Settling Class member worked while actively employed in a class-qualifying capacity during the Settling Class Period (the "Compensable Weeks"); (b) The total number of Compensable Weeks attributable to all Settling Class members will then be divided into the NSV, with the number of Compensable Weeks as the denominator and the NSV as the numerator, with the resulting number determined to two (2) decimal places; (c) The product of this calculation will be the Per Compensable Week Payment. The Class Member Payment to each Settling Class member shall be the number which results from dividing the NSV by the total

Compensable Weeks worked by all Settling Class Members and multiplying that number by the number of Compensable Weeks worked by the individual Settling Class Member.

For PAGA Group Members, twenty-five percent (25%) of the PAGA Allocation, equal to three hundred thousand U.S. Dollars and no cents (\$300,000.00) shall be to be distributed to the PAGA Group Members pro rata based on the number of pay periods they worked during the PAGA Period compared to the total number of pay periods for all PAGA Group Members during the PAGA Period (the “PAGA Payment”).

Your estimated Compensable Weeks and Class Member Payment may be found on the “Adjustment Form” provided to you with this Notice of Settlement.

V. WHAT AM I GIVING UP?

If the Court grants final approval of the settlement agreement and you do not opt out of the settlement, then you will release American Airlines, Inc., including its predecessors, successors, affiliates, parents, subsidiaries, related companies, employees, agents, shareholders, officers, directors, attorneys, insurers, and any entity which could be jointly liable with American Airlines, Inc. or any of them (individually and collectively “the American Releasees,”) from and with respect to any and all actions, causes of action, suits, liabilities, claims, and demands whatsoever, from January 18, 2015, until December 31, 2023, which the Settling Class, or individual members thereof, has, or had against the American Releasees, or any of them, which are based on any claims that are alleged in the Lawsuits, or which reasonably could have been alleged, based on the current or prior pleadings therein, including without limitation claims for violation of: California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510512, 1194, 1197, 1197.1, 1198, and 2802; any corresponding provisions of Industrial Welfare Commission Order 9-2001; Business & Professions Code §§ 17200 et seq.; or any other California or local or federal law, ordinance, and/or administrative regulation relating to the claims alleged in the Lawsuits (the “Released Claims”). The Released Claims include specifically, by way of further description, but not by way of limitation, any and all claims arising out of any and all attorneys’ fees, attorneys’ costs/expenses, fines, penalties, wages, interest, restitution, liquidated damages, punitive damages, declaratory relief, and/or injunctive relief allegedly due and owing by virtue of the Released Claims referenced above, whether based on statutory, regulatory, or common law (including but not limited to any such claims based on the California Labor Code, Business and Professions Code, Civil Code, Order of the Industrial Welfare Commission, and/or Code of Civil Procedure).

In furtherance of this release, as it pertains to the Released Claims only, you expressly waive any and all rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

This waiver is not intended to expand the nature of the claims released beyond those Released Claims set out above, but rather is intended to ensure that the release is fully enforceable and is not impeded by Section 1542.

You will also release the American Releasees from the following claims for civil penalties pursuant to Labor Code Private Attorney General Act of 2004, Labor Code §§ 2698 et seq., collectively referred to as the “Released PAGA Claims” from January 18, 2018, to December 31, 2023: All causes of action, claims, and/or legal theories for civil penalties, both potential and actual, that were alleged or reasonably could have been alleged based on the facts and theories of the operative complaints in the Lawsuits, including but not limited to claims for: (a) failure to pay minimum wages or overtime wages; (b) failure to provide legally required meal periods; (c) failure to provide legally required rest periods; (d) failure to provide accurate itemized wage statements; (e) failure to timely pay wages following separation of employment; (f) failure to indemnify for necessary business expenditures; (g) any other claims for civil penalties under the wage and hour laws pleaded in the Action or that are based on the same predicate facts or primary rights associated with such laws; and (h) all civil penalties and other amounts recoverable under said causes of action under California law, to the extent permissible, including but not limited to the California Labor Code and the applicable Wage Order 9 (collectively, the “PAGA Released Claims”).

VI. WHAT ARE MY OPTIONS?

A. *You may accept your share of the \$24,000,00.00 settlement and be bound by the release of all claims described in Section V above.* Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the settlement administrator. Your check will remain valid and negotiable for one hundred eighty (180) days from the date on which it is issued. After those one hundred eighty (180) days expire, the check will become void; *or*

B. *You may exclude yourself from the settlement, in which case you will not receive your share of the settlement and you will not be bound by the settlement.* If you choose to be excluded, by no later than [REDACTED] (45 calendar days after mailing of this Notice), you must send a written request for exclusion, by mail, to the settlement administrator, [REDACTED]. In order to be considered valid, your request for exclusion *must* be timely sent and *must* include your name, your address, a request for exclusion stating words to the effect that, “I choose to opt out of the American Airlines class action settlement,” and your signature.

C. *You may object to the settlement.* The procedures for objecting to the settlement are described below in Section IX of this form.

D. *You may dispute the amount of Compensable Weeks credited to you.* Please see the accompanying Adjustment Form for instructions, which must be returned to the Settlement Administrator by mail, postmarked no later than [REDACTED] (45 calendar days after mailing of this Notice).

VII. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The Settlement Administrator will calculate your share of the settlement and will issue you a check.

B. 20% of your share of the settlement will be considered wages from which ordinary tax withholdings will be deducted. No tax deductions shall be made from the remaining 80% of your share of the settlement. You will be given IRS tax forms for each of these amounts. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

Class members should consult with their tax advisors concerning the tax consequences of any payment they receive. No provision of the Settlement, and no written communication or disclosure between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended). You must rely exclusively upon your own, independent legal and tax advisers-for advice (including tax advice) in connection with this Settlement. Your participation in this Settlement is not based upon the recommendation of any other party or any attorney or advisor to any other party. You are not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on you. No attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by you of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement.

C. It is important for the Settlement Administrator to have your current address in order to be able to send you other mailings regarding the Action. You should contact the Settlement Administrator to report any change of your address after you receive this Notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

VIII. HEARING ON PROPOSED SETTLEMENT

A final fairness hearing will be held before the Court on [REDACTED], 2023/2024, at [REDACTED] a.m., in Department 45 of the Los Angeles Superior Court, located at the Stanley Mosk Courthouse at 111 North Hill Street, Los Angeles, CA 90012 to decide whether or not the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you.

You are not required to attend the hearing. Counsel for Plaintiffs and the Class will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. If you plan to attend the hearing, you may contact the Settlement Administrator to confirm the date and time.

IX. PROCEDURES FOR OBJECTING TO SETTLEMENT

If you don't think the Settlement is fair, you can object to the Settlement and tell the Court that you don't agree with the Settlement or some part of it. The Court will consider your views.

To object you must: (1) file a signed written objection in which you provide your name, address, and telephone number and states the basis for your objection with the Court and whether you are represented by counsel; (2) send a copy of the objection on the Settlement Administrator at the address below; and (3) send copies of the objection to counsel for the Plaintiffs and counsel for American at the addresses below postmarked on or before [REDACTED], 2023 (45 days after mailing this notice). If you wish to speak at the Final Approval Hearing, you must also indicate in your objection letter that you intend to appear at the Final Approval Hearing.

Anyone wishing to appear at the final approval hearing to make an objection to the Settlement shall be permitted to do so, whether or not they submit a written objection as set forth above.

X. EXAMINATION OF COURT PAPERS AND QUESTIONS

This Notice summarizes the Settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number 20STCV47361. The pleadings and all other records from this litigation may be examined by inspecting the Court file in the at the Archives and Records Center of the Los Angeles County Superior Court, located at 111 North Hill Street, Room 212, Los Angeles, CA, 90012.

If you have any questions, you can contact the Settlement Administrator at [REDACTED] or any of Class Counsel (see below for contact information.) PLEASE DO NOT CONTACT THE COURT, AMERICAN, OR AMERICAN'S ATTORNEYS REGARDING THIS SETTLEMENT.

<u>Class Counsel:</u> JOSEPH LAVI jlavi@lelawfirm.com VINCENT C. GRANBERRY vgranberry@lelawfirm.com LAVI & EBRAHIMIAN, LLP 8889 W. Olympic Blvd., Suite 200 Beverly Hills, California 90211 Telephone: (310) 432-0000 Facsimile: (310) 432-0001 MATTHEW R. BAINER mbainer@bainerlawfirm.com THE BAINER LAW FIRM 1901 Harrison St., Suite 1100 Oakland, California 94612 Telephone: (510) 922-1802 Facsimile: (510) 844-7701 DAVID R. MARKHAM dmarkham@markham-law.com MAGGIE REALIN mrealin@markham-law.com LISA BREVARD	<u>Counsel for American Airlines, Inc.</u> Adam P. KohSweeney O'Melveny & Myers LLP Two Embarcadero Center San Francisco, CA 94111-3823 Telephone: 415-984-8912 Facsimile: 415-984-8701
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<p>lbrevard@markham-law.com THE MARKHAM LAW FIRM 888 Prospect Street, Suite 200 La Jolla, California 92037 Telephone: (619) 399-3995 Facsimile: (619) 615-2067</p> <p>WALTER HAINES walter@uelglaw.com UNITED EMPLOYEES LAW GROUP 5500 Bolsa Avenue, Suite 20 I Huntington Beach, CA 92649 Telephone: (888) 474-7242 Facsimile: (562) 256-1006</p>	
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EXHIBIT C

ADJUSTMENT FORM

**ESTEBAN, ET AL. v. AMERICAN AIRLINES, INC.
Los Angeles Superior Court Case No. 20STCV47361**

**You do NOT have to mail this Adjustment Form to get your Individual
Settlement Payment.**

**Return this form to the Settlement Administrator by [REDACTED], 2023 ONLY if you need to correct
any of the employment information reported below.**

MAILTO:

Esteban, et al. v. American Airlines, Inc.

c/o [REDACTED]

insert address

TO CLASS MEMBER [MERGED_FirstName] [MERGED_LastName]:

**TO RECEIVE MONEY FROM THE SETTLEMENT, YOU DO NOT NEED TO TAKE
ANY ACTION.**

1. Under the terms of the Joint Stipulation of Class and Representative Action Settlement and Release between Plaintiffs Aldibert Esteban, Maisha Sykes, Deborah Berens and Linda Hinkley ("Settlement Agreement"), you are entitled to receive a Class Member Payment in the approximate estimated amount of \$[MERGED_EstSettAmnt_CALC], minus all applicable payroll and tax deductions, after the Court approves the Settlement, and after it goes into effect. Your Individual Settlement Payment will be treated as follows for tax purposes: eighty percent (80%) in satisfaction of claims for interest and penalties; and twenty percent (20%) in satisfaction of claims for unpaid wages. All settlement payment for wages shall be subject to required withholdings and deductions for W-2 wage payments. With regard to payments in settlement of claims for penalties and interest, these payments shall be issued through a Form 1099 and not subject to withholdings or deductions. The Parties agree that all Settling Class Members who receive any payment pursuant to this settlement will be responsible for any and all tax obligations associated with such receipt. Your Class Member Payment reflected on this Adjustment Form is only an estimate. The exact amount of your Class Member Payment could vary, up or down, based on the final calculations, number of participating class members, and/or other factors.
2. Your Class Member Payment is based on the number of Compensable Weeks you were actively employed in a class-qualifying capacity during the Settling Class Period. American's records show that you were employed in a class-qualifying capacity between ____ and ____.

3. You have been credited with [MERGED] Compensable Weeks for purposes of calculating your Class Member Payment. The manner in which Compensable Weeks and your Class Member Payment were calculated is described in the enclosed Notice of Class Action Settlement.
4. If you believe this amount is correct and you ***DO NOT*** wish to dispute the total amount of Compensable Weeks being credited to you, **YOU SHOULD NOT RETURN THIS FORM AND DO NOT NEED TO TAKE ANY FURTHER ACTION TO BE ELIGIBLE FOR AN INDIVIDUAL SETTLEMENT PAYMENT.** The Class Member Payment will be mailed to you if and after the Court gives final approval to the Settlement.
5. **YOU SHOULD ONLY COMPLETE THIS SECTION IF YOU DISPUTE** the number of Compensable Weeks listed above. To file a dispute you must: (1) check the dispute box below and fully complete the chart that follows, including specifying the dates you believe you worked during the Settling Class Period and providing documents to establish the accuracy of your contention; (2) sign this form; (3) provide the last four digits of your social security number; and (4) mail the completed and signed form to the Settlement Administrator so that it is postmarked no later than **DATE,** 2023. The Settlement Administrator will review all valid dispute forms and notify you of the results by written notice. Unresolved disputes will be decided by the Settlement Administrator, subject to final approval by the Court. Late or incomplete disputes, or disputes that are mailed without a visible postmark date, will not be considered, and your Individual Settlement Payment will be based on the workweeks listed in Section 3, above.

QUESTIONS?

CONTACT THE SETTLEMENT ADMINISTRATOR AT [redacted]
[address/fax/email]

☐ I WANT TO DISPUTE the number of workweeks credited to me under this Settlement. I worked the following number of workweeks:

	Dates of Employment During the Settling Class Period
	Compensable Weeks Worked During the Settling Class Period

Date

Employee Signature

Daytime Telephone Number

Print Name

Last 4 digits of Social Security Number: ____ ____ ____ ____

YOU SHOULD NOT RETURN THIS FORM IF YOU DO NOT DISPUTE THE NUMBER OF COMPENSABLE WEEKS STATED IN SECTION 3 ABOVE.