

# Ex. 1

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MAINE**

**CHRISTOPHER VENEGAS, *et al.*,**

Plaintiffs,

v.

**GLOBAL AIRCRAFT SERVICE, INC.,  
*et al.*,**

Defendants.

Case No.: 2:14-cv-00249-NT

**STIPULATION AND SETTLEMENT AGREEMENT**

IT IS HEREBY STIPULATED AND AGREED by and between Christopher Venegas (the “Class Representative”), on behalf of himself and all others similarly situated, on the one hand; and Global Aircraft Service, Inc. (“GAS”) and Lufthansa Technik North America Holding Corp. (“LTNA”) (collectively “Defendants”), on the other hand, (collectively “the Settling Parties”), as set forth below:

**I. THE CONDITIONAL NATURE OF THIS STIPULATION**

This Stipulation and Settlement Agreement, including all associated exhibits or attachments (“Stipulation”), is made for the sole purpose of settling the above-captioned action on a class-wide basis. This Stipulation, and the settlement it evidences, is made in compromise of disputed claims. The Settling Parties enter into this Stipulation on a conditional basis. In the event that the Court does not enter the Order Granting Final Approval of Settlement, or in the event that the District Court Order<sup>1</sup> does not become a Final Order for any reason, this Stipulation (except for those provisions relating to non-admissibility and non-admission of liability set forth herein) shall be deemed null and void ab initio, shall be of no force or effect

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<sup>1</sup> All defined terms shall have the meaning as set forth in the definitions in Section 1 below.

whatsoever, and shall not be referred to or utilized for any purpose whatsoever, including to support certification or oppose decertification of any claim in any action. Further, the negotiation and information exchanged as part of this settlement shall remain strictly confidential and subject to the provisions of Federal Rule of Evidence 408, and any other analogous rules of evidence that are applicable.

Defendants deny all claims as to liability, damages, penalties, interest, fees, restitution, injunctive relief and all other forms of relief, as well as the collective and class allegations asserted in the Litigation. Defendants have agreed to resolve the Litigation via this Stipulation, but to the extent this Stipulation is deemed void or the Effective Date does not occur, Defendants do not waive, but rather expressly reserve, all rights to challenge all such claims and allegations in the Litigation upon all procedural and factual grounds, including, without limitation, the ability to challenge class action treatment on any grounds (including through a motion(s) for decertification), to move for dismissal of certain claims, and to seek summary judgment as to any claims, as well as asserting any and all other potential defenses or privileges. The Class Representative and Class Counsel agree that Defendants retain and reserve these rights and they agree not to take a position to the contrary. Similarly, to the extent this Stipulation is deemed void or the Effective Date does not occur, the Class Representative does not waive, but rather expressly reserves, all rights to prosecute all such claims and allegations in the Litigation upon all procedural and factual grounds, including through motions for class certification and summary judgment. Defendants agree that the Class Representative retains and reserves these rights, and they agree not to take a position to the contrary.

## **II. THE PARTIES TO THIS STIPULATION**

This Stipulation (with the associated exhibits) is made and entered into by and among the

following Settling Parties: (i) the Class Representative (on behalf of himself and each of the Settlement Class Members), with the assistance of Class Counsel; and (ii) Defendants, with the assistance of their counsel of choice. The Stipulation is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims of all Settlement Class Members and Class Members subject to the terms and conditions hereof.

### **III. DEFENDANTS' DENIAL OF WRONGDOING OR LIABILITY**

The Class Representative filed this class and collective action asserting unpaid wage and hour claims under the Maine Minimum Wage and Overtime Act, 26 M.R.S. §§ 663, 664, 670, *et seq.* (“MWOA”), and under the Fair Labor Standards Act, 29 U.S.C. § 207, *et seq.* (“FLSA”) against Defendants. Defendants specifically and generally deny all of the claims asserted in the Litigation, deny any and all liability or wrongdoing of any kind whatsoever associated with any of the facts or claims alleged in the Litigation, and make no concessions or admissions of wrongdoing or liability of any kind whatsoever. Nonetheless, Defendants have concluded that further defense of the Litigation would be protracted, distracting and expensive. Defendants have therefore determined that it is beneficial to them to settle the Litigation in the manner, and upon the terms and conditions, set forth in this Stipulation.

### **IV. CLAIMS OF THE CLASS REPRESENTATIVES AND BENEFITS OF SETTLEMENT**

The Class Representative and Class Counsel believe that the claims asserted in the Litigation have merit. However, the Class Representative and Class Counsel recognize and acknowledge the expense and length of time of the type of continued proceedings necessary to prosecute the Litigation against Defendants through trial and through appeals. The Class Representative and Class Counsel have also taken into account the uncertain outcome and the risk of any litigation, as well as the difficulties and delays inherent in all litigation and

Defendants' financial conditions and ability to pay. Based upon their evaluation, the Class Representative and Class Counsel have determined that the settlement set forth in the Stipulation is in the best interests of the Class Representative and the Class Members.

**V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

NOW, THEREFORE, IT IS HEREBY FURTHER STIPULATED AND AGREED by and between the Class Representative (for himself and the Settlement Class Members) and Defendants, with the assistance of their respective counsel or attorneys of record, that, as among the Settling Parties, including all Settlement Class Members, the Released Claims shall be finally and fully compromised, settled, and released, and the Litigation shall be dismissed with prejudice, as to all Settling Parties, including all Settlement Class Members, upon and subject to the terms and conditions of the Stipulation and the District Court Order.

**1. Definitions.**

As used in all parts of this Stipulation, the following terms have the meanings specified below:

1.1. "Administrative Costs" means the amount to be paid to the Claims Administrator for its costs in connection with administering the terms of this Stipulation, including the costs of all notices and publication set forth in Section 2.5 and its subsections.

1.2. "Allocation Formula" means the form and methodology for distribution of the Net Settlement Amount to Settlement Class Members, which is Net Settlement Amount multiplied by Class Member's Settlement Share.

1.3. "Claims Administrator" means the third-party claims administration firm of Rust Consulting, which the Settling Parties mutually agreed on in good faith.

1.4. "Class" or "Class Members" means collectively:

- a. The Class Representative; and
- b. All other individuals who worked in Covered Positions who were

not paid for overtime work at a rate equal to one and one-half times their regular compensation rate and who did not opt out of the Litigation pursuant to this Court's March 2016 Notice.

1.5. "Class Counsel" means, collectively, the law firms of The Employment Law Group, P.C. and its attorneys, and Johnson, Webbert & Young, LLP and its attorneys.

1.6. "Class Member's Settlement Share" will be the quotient (rounded up or down to the nearest two digit decimal), stated as a percentage, of that individual Class Member's Overtime Amount divided by the total of the Overtime Amount attributable to all Class Members pursuant to this Settlement. For instance, if an individual Class Member's Overtime Amount is \$100 and the Overtime Amount attributable to all Class Members is \$100,000, then that Class Member's Settlement Share will be 0.1%. For an avoidance of doubt, the number of Settlement Class Members will not affect the amount of each Class Member's Settlement Share.

1.7. "Class Period" means the time period beginning on June 24, 2009, and ending on November 9, 2016.

1.8. "Class Representative" means Christopher Venegas.

1.9. "Compensable Work Week" or "Compensable Work Weeks" means a seven-day work week between June 24, 2009, and November 9, 2016, during which a Settlement Class Member was actively working (i.e., not on a leave of absence) in a Covered Position.

1.10. "Covered Position" means a sheet metal worker, painter, and/or mechanic classified as an independent contractor by GAS and who worked on LTNA's aircraft restoration project occurring in Auburn, Maine.

1.11. "Database of Class Members" means the electronic file or paper documents

to be provided by GAS to the Claims Administrator containing the name of each Class Member, the Class Member's Last Known Address, social security number, state where employed, rate of pay for when the Class Member was last in a Covered Position and dates the Class Member began and terminated his or her work relationship in a Covered Position with Defendants, GAS and LTNA.

1.12. "Defendants' Releasees" means Defendants and all of their respective past, present and future parents, subsidiaries, affiliates, business units, related companies, members, shareholders, and their successors and predecessors, including each of their directors, officers, employees, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), insurers, lawyers, and agents.

1.13. "District Court Order" means an order to be executed and filed by the Court approving the terms contained in this Stipulation. The Settling Parties will submit a draft order, entitled "Order Granting Final Approval of Class Action Settlement," for the Court's review and approval.

1.14. "Effective Date" means the date on which the District Court Order becomes a Final Order.

1.15. "Final Order" means the latest of: (i) the date of final affirmance on an appeal of the District Court Order; (ii) the date of final dismissal with prejudice of the last pending appeal from the District Court Order; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of any form of valid appeal from the District Court Order.

1.16. "GAS Contribution to Administrative Costs" means an amount up to \$10,000.00, in excess of the Settlement Amount, to be paid by GAS to the Claims Administrator to cover Administrative Costs.

1.17. “Last Known Address” or “Last Known Addresses” means the most recently recorded mailing address for a Class Member as such information was contained in Defendants’ records containing personnel information, the most recently recorded mailing address in Class Counsel’s records, and any address a Class Member provides to the Settling Parties or the Claims Administrator.

1.18. The “Litigation” means the civil action entitled *Venegas et al. v. Global Aircraft Services, Inc., et al.*, Case No.: 2:14-cv-00249-NT, in the United States District Court for the District of Maine.

1.19. “Net Settlement Amount” means the Settlement Amount less approved attorneys’ fees, taxes, payments related to payroll taxes, costs, and expenses and Administrative Costs (less GAS Contribution to Administrative Costs).

1.20. “Notice of Class Action Settlement” or “Class Notice” means a notice (and associated response forms) entitled “Notice of Class Action Settlement” to be submitted to the Court for review and approval, and attached to the Stipulation as Exhibit 1.

1.21. The “Notice Mailing Deadline” shall be the date on which the Claims Administrator mails the Class Notice to the Class Members and initiates publication notice as set forth below to notify Class Members of the Settlement. The mailing, emailing and notice publication is to occur within fifteen (15) business days of the Preliminary Approval Date.

1.22. The “Notice Response Deadline” shall be the date forty-five (45) days after the Claims Administrator first mails or emails the Class Notice to Class Members.

1.23. “Opt Out Statement” means a written statement from a Class Member to the Claims Administrator that he or she is opting out of the Litigation which includes the Class Member’s name, address, telephone number, and a desire to opt out of the Settlement.

Specifically, the statement must include the words “I opt out of the wage and hour settlement.”

1.24. “Overtime Amount” means the amount that is determined by the following calculation: Take each Class Member’s hourly rate of pay when they were last in a Covered Position, multiply this rate by the number of hours worked over 40 in a workweek, and then multiply the resulting sum by .5 to determine the amount of unpaid wages claimed. The Class Representative’s Overtime Amount is determined by doubling the number arrived at pursuant to the above calculation.

1.25. “Preliminary Approval Date” means the date on which the Court executes and files the Preliminary Approval Order.

1.26. “Preliminary Approval Order” means Exhibit 2 to this Stipulation.

1.27. “Qualified Settlement Fund” or “QSF” means the account established by the Claims Administrator for the Settlement Amount paid by Defendants. The QSF will be controlled by the Claims Administrator subject to the terms of this Stipulation, the Preliminary Approval Order, and the District Court Order.

1.28. “Released Claims” means any and all known and unknown federal, state and local wage and hour and wage payment claims, obligations, demands, actions, rights, causes of action, and liabilities against Defendants’ Releasees, whether known or unknown, including claims not known or expected to exist at the time of the entry of the District Court Order in the Litigation, that arose or are in any way related to Class Members’ work in Covered Positions during the Class Period including: (i) all claims arising under the Maine Minimum Wage and Overtime Act, 26 M.R.S. §§ 663, 664, 670, *et seq.*; (ii) all claims arising under the Fair Labor Standards Act of 1938 (“FLSA”), as amended, 29 U.S.C. § 207, *et seq.*; including claims for wages, overtime pay, minimum wages, damages, or for retaliation damages; (iii) any and all

claims under applicable state and/or local laws for the failure to pay or untimely payment of any type of overtime compensation or minimum wage; and (iv) all claims for unpaid costs, penalties (including late payment penalties), liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief based on the claims in (i-iii) above.

1.29. "Release of Claims Form" means the form entitled "Release of Claims" attached to the Class Notice as Form A-1.

1.30. "Residuary Charities" means the following three organizations: the German American Aviation Heritage Foundation, 1120 G Street NW, Suite 747, Washington, DC 20005; the Good Shepherd Food Bank, 3121 Hotel Rd., Auburn, ME 04210; and the Maine Equal Justice Partners, 126 Sewall St., Augusta, ME 04330.

1.31. "Settlement Amount" shall mean the maximum amount that Defendants shall pay under the terms of this Stipulation, which is the gross sum of One Million, One Hundred Thousand Dollars and Zero Cents (\$1,100,000.00), and includes all payments to all Settlement Class Members; all payroll taxes; all payments related to or arising out of the payment of payroll taxes; Class Counsel's approved attorneys' fees, costs, and expenses related to the Litigation, including all attorneys' fees, costs, and expenses related to the effort to secure the Final Order (including litigation of any potential objections to the terms of the Stipulation); and Administrative Costs. Under no circumstances shall Defendants be required to pay or contribute any monies in excess of the Settlement Amount other than as set forth in Section 2.7.1 with regard to the GAS Contribution to Administrative Costs. No payments will be made to Settlement Opt Outs, and amounts allocated to these individuals from the Settlement Amount will be distributed to the Residuary Charities and will not revert to Defendants.

1.32. "Settlement Class" means Class Members who are not Settlement Opt Outs.

1.33. “Settlement Class Member” or “Member of the Settlement Class” means any person who is a member of the Settlement Class.

1.34. “Settlement Hearing” or “Fairness and Good Faith Determination Hearing” means a hearing set by the Court to take place at the Court’s convenience, but at least thirty (30) days after the Notice Response Deadline, for the purpose of (i) determining the fairness, adequacy, and reasonableness of the Stipulation terms and associated settlement pursuant to class action procedures and requirements; (ii) determining the good faith of the Stipulation and associated settlement; (iii) determining Class Counsel’s approved attorneys’ fees and costs; and (iv) entering the District Court Order.

1.35. “Settlement Opt Out” or “Settlement Opt Outs” means Class Members who have provided the Claims Administrator with an Opt Out Statement within the time set forth in the Notice of Class Action Settlement.

1.36. “Settling Parties” or the “Parties” means Defendants and Settlement Class Members.

1.37. “Stipulation” means this agreement, *i.e.*, the Stipulation and Settlement Agreement together with all of its attachments and exhibits (and all attachments/forms to this Stipulation), which sets forth all material terms and conditions of the settlement between the Settling Parties, and which is subject to Court approval.

1.38. “Total Payment to Each Individual Settlement Class Member” means the product of each Settlement Class Member’s Settlement Share multiplied by the Net Settlement Amount.

1.39. “Updated Address” means a mailing address that was updated via a reasonable address verification measure instituted by the Claims Administrator or via an updated

mailing address provided by the United States Postal Service or a Class Member, or any other source.

## **2. The Settlement**

2.1. *Stipulation to Rule 23 Class for Settlement Purposes Only & Settling Parties' Understanding of Obligations.*

2.1.1. The Settling Parties stipulate, for settlement purposes only, to the class certification by the Court of the Maine Minimum Wage and Overtime Act claims as set forth below in this Section 2.

2.1.2. It is understood and agreed that Defendants' obligations and any releases contained herein for payment under this Stipulation are conditioned on, *inter alia*, the occurrence of the Effective Date.

2.1.3. It is further understood and agreed by the Settling Parties that while summary judgment was previously granted by the Court in LTNA's favor as to the Class Members' wage payment claims under state law, this Stipulation includes those state claims in the Released Claims.

2.2. *Consideration to Settlement Class Members.*

2.2.1. Defendants, through the Claims Administrator, and according to the terms, conditions, and procedures set forth in this Stipulation, shall pay each Settlement Class Member according to the Allocation Formula. The Allocation Formula shall calculate each Class Member's pro rata allocation percentage by determining the Class Member's Settlement Share and multiplying the Class Member's Settlement Share by the Net Settlement Amount resulting in a determination of the Total Payment to Each Individual Settlement Class Member, with the Class Representative receiving an enhancement of an additional 100% of his Class

Member's Settlement Share for having brought and prosecuted this action on behalf of the other Class Members.

2.2.2. The Claims Administrator shall be responsible for distributing notice to Class Members; responding to Class Member inquiries; resolving disputes relating to Class Members' Settlement Share amounts; calculating Class Members' Settlement Shares; reporting on the state of the Settlement to the Settling Parties' respective counsel; distributing settlement payments, withholding all taxes due on Class Members' payments; coordinating with Defendants to calculate and pay the employer's share of payroll taxes and payments related and or arising out of the payment of payroll taxes resulting from any settlement payments; remitting such withheld funds to the appropriate taxing authorities; preparing a declaration regarding its due diligence in the claims administration process; making payments to the Residuary Charities; and performing such other duties as the Settling Parties may jointly direct or as are specified herein.

2.2.3. The Claims Administrator will report each payment made to Settlement Class Members to state and federal government authorities, including the Internal Revenue Service, as required by law.

2.2.4. Any disputes regarding late claims, allocation amounts or self-identifiers that can be resolved will be resolved prior to finalizing the Class Members' Settlement Shares, and the allocations to Class Members' Settlement Shares shall be adjusted accordingly prior to any payments being made. For the purpose of resolving disputed claims, Defendants' records regarding whether an individual should be a Class Member and/or the dates the Class Member worked in a Covered Position during the Class Period and the Class Member's rate of pay are presumed accurate. If an individual disputes Defendants' records, he or she has the

burden of establishing with documents that he or she is a Class Member, the number of his or her Compensable Work Weeks, and/or his or her rate of pay during the Class Period. Applying these rules and following a conference with counsel for the Settling Parties, the Claims Administrator will determine whether the individual has a valid claim or an adjustment to the Class Member's Settlement Share is warranted. Any resulting payment shall be made from the Net Settlement Amount. Any self-identifying individual who is determined by the above process not to be a Class Member, and whom Defendants choose not to allow to receive a payment pursuant to this Stipulation, shall not release any claims notwithstanding any other language in the Stipulation.

2.3. *Taxes.*

2.3.1. Half (50%) of the Total Payment made to Each Individual Settlement Class Member shall be deemed payment in settlement of claims for unpaid wages and shall be subject to appropriate deductions and withholdings for wages by the Claims Administrator, and for which the Claims Administrator shall issue to each Settlement Class Member an IRS Form W-2. All payroll taxes shall be funded from the Net Settlement Amount. The remaining half (50%) of the Total Payment to Each Individual Settlement Class Member shall be deemed payment in settlement for claims of penalties, liquidated damages, interest, and all other non-wage income and will be paid subject to an IRS Form 1099-Misc.

2.3.2. Those payments allocated to the settlement of claims for unpaid wages in Section 2.3.1: (a) shall be subject to required withholdings and deductions by the Claims Administrator, and so the net amounts payable will be less than the gross amounts; and (b) shall be reported in the year of payment as wage income to the Settlement Class Member on an IRS Form W-2 issued by the Claims Administrator and such other state or local tax reporting forms as may be required by law.

2.3.3. Those payments allocated to all other claims in Section 2.3.1, including without limitation claims for penalties, liquidated damages, interest, and other non-wage recovery (a) shall not be subject to required withholdings and deductions by the Claims Administrator, and so the net amounts payable will be equal to the gross amounts; and (b) shall be reported in the year of payment as non-wage income to the Settlement Class Member on an IRS Form 1099-Misc issued by the Claims Administrator and such other state or local tax reporting forms as may be required by law. As to the payments reported as non-wage income, the Settlement Class Members agree to indemnify and hold harmless Defendants for any taxes due or owing by the Class Representative and Settlement Class Members on such payments.

2.3.4. Defendants make no representations, and it is understood and agreed that Defendants have made no representations, as to the taxability to any Settlement Class Member of any portion of the Total Payment to Each Individual Settlement Class Member, the payment of any attorneys' fees or costs, or any payments to the Class Representative. The Notice of Class Action Settlement will advise each Class Member to seek his or her own personal tax advice prior to acting in response to that notice, and Defendants, the Class Representative, and Class Counsel agree that each Class Member will have an adequate opportunity to seek tax advice prior to acting in response to the Notice of Class Action Settlement.

2.4. *Court Approval of Notice to the Class and a Settlement Hearing.*

2.4.1. The Class Representative, through Class Counsel, shall file this Stipulation with the Court along with the Preliminary Approval Order and any accompanying motion. Defendants will have the opportunity to review and comment on the motion and shall not oppose the motion, but may respond to the motion if necessary. The Class Representative

will provide a draft of the motion to Defendants for their review at least one week prior to filing it, and will consider any proposed revisions in good faith. Via this Stipulation, and a supporting motion, the Class Representative, through his counsel of record, will request that the Court enter the Preliminary Approval Order and preliminarily approve the terms of this Stipulation, preliminarily approve the allocation of settlement funds as set forth in this Stipulation, and schedule the Fairness and Good Faith Determination Hearing.

2.4.2. A decision by the Court not to enter the Preliminary Approval Order in its entirety, or a decision by the Court to enter the Preliminary Approval Order with modifications that Defendants determine in their reasonable and good faith judgment to be material, unless the Settling Parties jointly agree to seek reconsideration of the ruling or to seek Court approval of a renegotiated settlement, will be grounds for the Settling Parties to terminate the settlement and the terms of this Stipulation in writing within ten (10) days of receipt of the Court's decision, and the Litigation will resume as if no settlement had been attempted.

2.4.3. If any deadlines related to this Stipulation cannot be met, Class Counsel and counsel for Defendants shall confer and attempt to reach agreement on any necessary revisions of the deadlines and timetables set forth in this Stipulation. In the event that the Settling Parties fail to reach such agreement, any of the Settling Parties may apply to the Court for modification of the dates and deadlines in this Stipulation, provided that such a request to the Court may seek only reasonable modifications of the dates and deadlines contained in this Stipulation and no other material changes.

2.4.4. If the Court enters the Preliminary Approval Order, then at the resulting Fairness and Good Faith Determination Hearing, the Class Representative and Defendants, through their counsel of record, shall address any timely written objections from

Settlement Class Members or any concerns from Settlement Class Members who attend the hearing.

2.5. *Notice to Class Members.*

2.5.1. By entering the Preliminary Approval Order, the Court provides authorization for the Claims Administrator to send the Class Notice to all Class Members according to the below procedure.

2.5.2. Within seven (7) business days of the Preliminary Approval Date, GAS's Counsel will provide the Database of Class Members to the Claims Administrator so that the Claims Administrator can engage in the processing and mailing of each Class Notice to Class Members.

2.5.3. GAS will submit to the Claims Administrator the GAS Contribution to Administrative Costs in accordance with and subject to the terms specified in Section 2.7.1.

2.5.4. Before the dissemination of the Class Notice, the Claims Administrator will establish a toll free phone number Class Members can call and leave messages or questions regarding the Settlement Amount or Stipulation. The Claims Administrator shall be responsible for monitoring and responding to messages in a timely manner.

2.5.5. Class Notice shall be mailed to all Class Members via first class mail through the United States Postal Service, postage pre-paid, and via email. The Class Notice and its envelope or covering shall be marked to denote the return address of the Claims Administrator.

2.5.6. The Settling Parties agree that all communications by the Claims

Administrator shall be in English.

2.5.7. Prior to mailing the Class Notice to each Class Member, the Claims Administrator shall undertake a reasonable address verification measure to ascertain the current accuracy of the Last Known Address for each Class Member. To the extent this process yields an Updated Address, the Updated Address shall replace the Last Known Address and be treated as the new Last Known Address for purposes of this Stipulation and for subsequent mailings.

2.5.8. Unless the Settling Parties agree otherwise in writing, or the Court so orders, Class Notices shall be mailed and emailed no later than the Notice Mailing Deadline.

2.5.9. Part of the fees paid to the Claims Administrator shall be used to pay for all costs of the mailings described in Section 2.5 and its subsections, which shall include the fees charged by the Claims Administrator for address verifications and all other tasks, the cost of the envelopes in which the Class Notice will be mailed, the cost of reproducing the Class Notice, the cost of postage to send the Class Notice, and the cost of envelopes and postage for the return envelope enclosed with the Class Notice.

2.5.10. Unless the Claims Administrator receives a Class Notice returned from the United States Postal Service for reasons discussed below in this Section 2.5.10, Class Notice sent via First Class Mail shall be deemed mailed and received by the Class Member to whom it was sent ten (10) days after mailing. In the event that subsequent to the first mailing of a Notice of Class Action Settlement and prior to the deadline for a response, that Notice of Class Action Settlement is returned to the Claims Administrator by the United States Postal Service with a forwarding address for the recipient, the Claims Administrator shall re-mail the Class Notice to that address, the Class Notice will be deemed mailed as of that date, and the

forwarding address shall be deemed the Last Known Address for that Class Member. In the event that subsequent to the first mailing of a Class Notice, that Class Notice is returned to the Claims Administrator by the United States Postal Service because the address of the recipient is no longer valid, *i.e.*, the envelope is marked “Return to Sender,” the Claims Administrator shall perform a standard skip trace, in the manner the Claims Administrator customarily performs skip traces, in an effort to attempt to ascertain the current address of the particular Class Member in question. If such an address is ascertained, the Claims Administrator will re-send the Class Notice within three (3) business days of receiving such information. If the Notice of Class Action Settlement is mailed a second time to a Class Member pursuant to this Section, the Class Member shall have up to and including ten (10) days after the Notice Response Deadline to return his or her Release of Claims Form or Opt Out Statement.

2.5.11. If ten (10) days prior to the Notice Response Deadline the Claims Administrator has not received a Release of Claims Form from a Class Member, and the Class Notice was not returned as undeliverable, the Claims Administrator will mail the Class Member a reminder postcard the next business day: (a) referencing the name of the Litigation; (b) stating that the Class Member received a Class Notice regarding the settlement of the Litigation; (c) providing the address for the Claims Administrator; (d) stating the Notice Response Deadline, *i.e.*, the deadline to respond to the Class Notice if the recipient desires to do so; and (e) stating that the Class Member can contact the Claims Administrator to receive an additional copy of the Class Notice. The postcard shall not contain additional information or statements. Nothing in this Section shall be construed to extend the Notice Response Deadline for any Class Member, and the reasonable costs expended in association with the preparation and mailing of the postcards contemplated by this Section shall be included as part of the Administrative Costs.

2.5.12. The Class Representative acknowledges that the amount to be paid to the Claims Administrator from the Settlement Amount for the reasonable cost associated with mailing of notice, establishing phone number and voicemail box, and other tasks performed by the Claims Administrator constitutes part of the consideration to the Settlement Class.

2.6. *Responses to the Notice of Class Action Settlement; Motion for Final Approval.*

2.6.1. Class Members may elect to “opt out” of the Settlement Class and **thus exclude themselves** from the Litigation, the Settlement Class, and any payment provided pursuant to this Stipulation. The Class Notice shall advise Class Members of the option to opt-out of the settlement and provide instructions of how to do so. Class Members who wish to exercise this option must mail the Opt Out Statement to the Claims Administrator notifying the Claims Administrator that he or she is opting out of the Litigation (“Opt Out Statement”). The Opt Out Statement must contain the name, address, and telephone number of the Class Member to be valid. It must also include the words “I opt out of the wage and hour settlement” in order to be valid. If a complete and properly executed Opt Out Statement is not received by the Claims Administrator from a Class Member with a postmark or email date on or before the Notice Response Deadline, then that Class Member will be deemed to have forever waived his or her right to opt out of the Settlement Class. Class Members that timely submit a fully completed and properly executed Opt Out Statement shall have no further role in the Litigation, and for all purposes shall be regarded as if they never were either a party to this Litigation or a Class Member, and thus they shall not be entitled to any benefit as a result of the Litigation or this Stipulation and shall not release any claims against Defendants. In the event the Court does not enter the District Court Order or the Effective Date does not occur for any other reason, Class

Members who opt out of the Litigation pursuant to this Section 2.6.1 shall be restored as Class Members to the Litigation.

2.6.2. The Class Notice shall advise Class Members of the option to submit an objection to the Stipulation. Class Members who do not submit an Opt Out Statement but who wish to object to the Stipulation must do so in writing. A Class Member who submits an Opt Out Statement may not object. To be considered, an objection must be in writing and be mailed to the Claims Administrator via First-Class United States Mail, postage prepaid, and be received by the Claims Administrator no later than seven (7) days prior to the Notice Response Deadline. The written objection must include the words, "I object to the settlement in the wage and hour case" as well as all reasons for the objection. Any reasons not included in the written objection will not be considered by the Court. The written objection must also include the name, address, and telephone numbers for the Class Member making the objection. The Claims Administrator will stamp the date received on the original and send copies of each objection to Class Counsel and Defendants' counsel by email and overnight delivery no later than three (3) days after receipt of the objection. Class Counsel will file the date-stamped originals of any and all objections with the Court within three (3) days after the Notice Response Deadline.

2.6.3. In order to receive the Total Payment to Each Individual Settlement Class Member, Class Members must fully and timely complete, execute, and return, per the instructions therein, the form entitled "Release of Claims" attached to the Class Notice as Form A-1. In the event a Class Member submits an incomplete or improperly executed Release of Claims Form, the Settlement Administrator shall contact the Class Member and attempt to obtain a properly completed Release of Claims Form. If a completed and properly executed Release of Claims Form is not received by the Claims Administrator from a Class Member with

a postmark or email date on or before the Notice Response Deadline, then that Class Member will be deemed to have forever waived his or her right to receive payment under this Stipulation.

2.6.4. If a Class Member submits an Opt Out Statement and also submits a Release of Claims Form or otherwise submits inconsistent or incomprehensible Opt Out Statement and/or Release of Claims Form, the Claims Administrator will contact the Class Member to seek clarification of whether they intend to opt out of the settlement and the Settlement Class or become a Settlement Class Member. The Claims Administrator will provide the Settling Parties with the names of any Class Members it contacts regarding incomprehensible or inconsistent forms and state how the issue was resolved. Class Counsel may contact any such Class Members whose participation status is not resolved by the Claims Administrator. In the event that a Class Member's participation status remains unresolved after being contacted by Class Counsel, the Class Member will be deemed to be a Settlement Class Member.

2.6.5. Class Members who do not submit an Opt Out Statement or Release of Claims Form will be deemed to be Settlement Class Members but will not be eligible to receive payment under this Stipulation.

2.6.6. Class Members who, for future reference and mailings from the Court or Claims Administrator, if any, wish to change the name or contact information listed on the Class Notice sent to them must fully complete, execute, and mail or email their new name or contact information to the Claims Administrator or Class Counsel, who shall provide such information to the Claims Administrator. The address provided shall be deemed the "Updated Address" for any such Class Member.

2.6.7. Prior to the Fairness and Good Faith Determination Hearing, and consistent with the rules imposed by the Court, the Class Representative shall move the Court for

entry of the District Court Order. Defendants will not oppose the motion. The Class Representative will provide a draft of the motion seeking District Court Order to Defendants for their review two (2) weeks prior to filing it, and will consider and include any proposed revisions in good faith. The Settling Parties shall make all reasonable efforts to secure entry of the District Court Order. If the Court (i) rejects the Stipulation in its entirety; (ii) makes a modification to the Stipulation that Defendants determine in their reasonable and good faith judgment to be material; or (iii) fails to enter the District Court Order, this Stipulation shall be void *ab initio*, (except for those provisions relating to non-admissibility and non-admission of liability), and Defendants shall have no obligations to make any payments under the Stipulation.

2.7. *Timing of Payment and Notice of Final Approval to Settlement Class Members.*

2.7.1. Within ten (10) business days of the Preliminary Approval Date, GAS shall deposit an amount up to \$10,000.00 with the Claims Administrator to cover Administrative Costs contingent upon the receipt of a good faith estimate by the Claims Administrator on the Administrative Costs. In the event that the estimate is \$10,000.00 or more, and if less than \$10,000.00 is actually expended towards Administrative Costs, the remainder will be returned to GAS after all Total Payments to Each Individual Settlement Class Members are made and the Residuary Charities are paid. Insofar as the Claims Administrator expends more than \$10,000.00 in Administrative Costs, the outstanding balance will be covered by the Settlement Amount.

2.7.2. Within fourteen (14) days after the Notice Response Deadline, the Claims Administrator will calculate and provide the total amount of Total Payments to Each Individual Settlement Class Member to Class Counsel and Defendants' counsel.

2.7.3. No more than five (5) business days after the District Court Order is filed by the Court, the Claims Administrator will provide to Defendants' counsel the amount of funds needed to cover the Total Payments to Each Individual Settlement Class Member, court-approved attorneys' fees and costs, and an estimate of the Administration Costs.

2.7.4. No more than ten (10) business days after the Effective Date, Defendants shall deposit into the QSF the sum total of \$900,000.00, with \$500,000.00 to be contributed by LTNA and \$400,000.00 to be contributed by GAS.

2.7.5. Defendants' respective obligations to make payments under this Stipulation are several and not joint. There shall be no recourse by the Class Representative or by any other person against a Defendant for the failure of the other Defendant to comply with its obligations under this Stipulation.

2.7.6. No more than thirty (30) days after the Effective Date, the Claims Administrator shall mail to each Settlement Class Member who submitted a Release of Claims Form at his or her Last Known Address, or Updated Address if obtained, his or her Total Payment to Each Individual Settlement Class Member, from the QSF, less the individual "employee's" share of relevant withholdings.

2.7.7. Checks issued to Settlement Class Members pursuant to this Stipulation shall remain negotiable for a period of ninety (90) days from the date of mailing as reflected by the postmark on the mailing.

2.7.8. Within one hundred and twenty days (120) of the date of the Effective Date, the Claims Administrator shall take any residual amount remaining in the QSF and issue checks in equal amounts to the Residual Charities.

2.8. *Releases.*

2.8.1. *Release of Defendants by Settlement Class Members.* Upon the Effective Date, the Class Representative and each of the Settlement Class Members, including all Settlement Class Members, on behalf of themselves and each of their heirs, representatives, successors, assigns, and attorneys, shall be deemed to have, and by operation of the District Court Order shall have, fully, finally, and forever released, dismissed with prejudice, relinquished, and discharged all Released Claims. For the avoidance of doubt, all Settlement Class Members shall be deemed to have fully, finally, and forever released, dismissed with prejudice, relinquished, and discharged all Released Claims even if they do not return the Release of Claims Form to the Claims Administrator.

2.8.2. *GAS and LTNA will simultaneously agree to a mutual release of claims against each other related to the Released Claims prior to the Effective Date.*

2.9. *Payment of Attorneys' Fees and Costs.*

2.9.1. Class Counsel shall move for Court approval of no more than twenty-eight (28) percent of the Settlement Amount as attorneys' fees in this matter. Class Counsel shall also move for Court approval of their costs in addition to the attorneys' fees in this matter. The attorneys' fees and costs awarded to Class Counsel shall be at the sole discretion of the Court, and this Settlement is not contingent upon the Court's approval of such attorneys' fees and/or costs. Defendants shall not oppose Class Counsel's motion for the recovery of attorneys' fees and/or costs, including on any appeal by Class Representative, subject to the limitations herein, including the fact that Class Counsel will not seek more than twenty-eight percent of the Settlement Amount as attorneys' fees and costs and any appeal regarding attorneys' fees and costs shall not in any way delay or preclude the District Court Order from becoming a Final Order.

2.9.2. Not more than thirty (30) days after the Effective Date, and only if the Effective Date occurs, and subject to Court approval, the Claims Administrator will pay Class Counsel \$108,000.00 of the Court-approved attorneys' fees from the QSF, subject to Class Counsel providing the Claims Administrator with the pertinent taxpayer identification number(s) in a IRS Form W-9 on or before the Effective Date. Not more than thirty (30) days after the Effective Date, and only if the Effective Date occurs, and subject to Court approval, the Claims Administrator will also pay Class Counsel the Court-approved costs from the QSF. Thereafter GAS will make a direct payment to The Employment Law Group, PC of \$100,000.00 on January 1, 2018, and GAS will make another direct payment to The Employment Law Group, PC of \$100,000.00 on January 1, 2019. GAS will provide a suitable confession of judgment or such other form of security as the Parties may agree upon to guarantee these future payments, and LTNA shall have no responsibility for these payments. Payments made pursuant to this Section shall constitute full satisfaction of any claim for fees or costs, and the Class Representative and Class Counsel, on behalf of themselves and all Settlement Class Members, agree that they shall neither seek nor be entitled to any additional attorneys' fees or costs under any theory.

2.9.3. If the Court approves less than twenty-eight (28) percent of the Settlement Amount as attorneys' fees in this matter, the difference between the amount sought by Class Counsel and the amount approved by the Court shall be allocated as follows:

2.9.3.1. If the difference is less than \$108,000.00, the Claims Administrator shall allocate the difference to the Net Settlement Amount and pay Class Counsel attorneys' fees and costs from the QSF in the amount equal to \$108,000.00 less the difference. GAS will remain obligated to make the direct payments to the Employment Law Group, PC on the dates set forth in Section 2.9.2.

2.9.3.2. If the difference is equal to \$108,000.00, the Claims Administrator shall allocate the difference to the Net Settlement Amount and no amount will be paid to Class Counsel for attorneys' fees and costs from the QSF. GAS will remain obligated to make the direct payments to the Employment Law Group, PC on the dates set forth in Section 2.9.2.

2.9.3.3. If the difference is greater than \$108,000.00, the Claims Administrator shall allocate \$108,000.00 to the Net Settlement Amount and no amount will be paid to Class Counsel for attorneys' fees and costs from the QSF. GAS will remain obligated to make a direct payment to The Employment Law Group, PC of \$100,000.00 on January 1, 2018, as set forth in Section 2.9.2. With respect to the payment of \$100,000.00 on January 1, 2019, The Employment Law Group, PC, will retain the remaining unpaid amount of Court-approved attorneys' fees and costs and will make three equal payments to the Residuary Charities from the remainder.

2.10. *Claims Administrator.*

2.10.1. Class Counsel and Defendants' counsel may contact the Claims Administrator, provided that they notify opposing counsel prior to doing so. Unless otherwise agreed in writing by Defendants' counsel, Class Counsel will not receive contact information or Social Security numbers provided to the Claims Administrator. The Claims Administrator will cooperate with Class Counsel to facilitate the administration of the settlement set forth in this Stipulation, but Class Counsel will not receive contact information or social security numbers provided to the Claims Administrator or the names of any individuals who do not file timely and valid Release of Claims Form or who file Opt Out Statements.

2.10.2. In the event that either Defendants or Class Counsel take the

position that the Claims Administrator is not acting in accordance with the terms of the Stipulation, such party shall meet and confer with opposing counsel prior to raising any such issue with the Claims Administrator or the Court.

2.11. *Termination of Settlement*

2.11.1. In the event that the Stipulation is not approved in its entirety by the Court, excluding modifications that the Settling Parties determine in their reasonable and good faith judgment not to be material modifications, or in the event that the settlement set forth in the Stipulation is terminated, cancelled, declared void, or fails to become effective in accordance with its terms, or if the District Court Order does not become a Final Order, or if the Effective Date does not occur, no payments shall be made by Defendants to anyone in accordance with the terms of this Stipulation. In such an event, the Stipulation (except for those provisions relating to non-admissibility and non-admission of liability) shall be deemed null and void, its terms and provisions shall have no further force and effect and shall not be used in this Litigation, in any other proceeding or otherwise, for any purpose; the negotiations leading to the settlement set forth in this Stipulation may not be used as evidence for any purpose; and any Court ruling or order in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

2.12. *Miscellaneous Provisions.*

2.12.1. The only Class Members entitled to any payment under this Stipulation and the associated District Court Order are Settlement Class Members, and they shall be entitled to their individual Total Payment to Each Individual Settlement Class Member pursuant to Section 2.2 only.

2.12.2. The Settling Parties (a) acknowledge that it is their intent to

consummate this Stipulation; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation, including but not limited to obtaining the dismissal, transfer to the Court, or stay of any pending or subsequently-filed class or collective action lawsuit that alleges any of the Released Claims as long as such cooperation does not delay the administration or approval of the Stipulation.

2.12.3. The Stipulation compromises claims which are contested in good faith, and it shall not be deemed an admission by any of the Settling Parties as to the merits of any claim or any potential defense. The Settling Parties agree that the amounts paid in connection with this Stipulation and the other terms of the settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel and in the course of a judicial settlement conference.

2.12.4. All of the exhibits to the Stipulation are material and integral parts of the Stipulation and are fully incorporated herein by this reference.

2.12.5. The Stipulation may be amended or modified only by a written instrument signed by authorized representatives of all Settling Parties or their respective successors-in-interest.

2.12.6. The Stipulation constitutes the entire agreement among the Settling Parties regarding the subject matter discussed herein, and no representations, warranties, or inducements have been made to any party concerning the Stipulation or its exhibits other than the representations, warranties, and covenants contained and memorialized in the Stipulation and exhibits. Except as otherwise provided in the Stipulation, each party shall bear its own fees and costs.

2.12.7. Class Counsel, on behalf of the Class Members, represent that, after consultation with and approval by the Class Representative, they are expressly authorized by the Class Representative to take all appropriate action required or permitted to be taken by the Class Representative pursuant to the Stipulation to effect its terms, and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Class Members which they deem appropriate. Similarly, Defendants' counsel represent that they are expressly authorized to take all appropriate action required or permitted to be taken by Defendants pursuant to the Stipulation to effect its terms, and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of Defendants which they deem appropriate.

2.12.8. Each counsel or other person executing the Stipulation or any of its exhibits on behalf of any party to the Stipulation hereby warrants that such person has the full authority to do so.

2.12.9. The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of executed counterparts shall be filed with the Court.

2.12.10. Whenever this Stipulation requires or contemplates that one Party, the Court or the Claims Administrator shall, or may, give notice to another, notice shall be provided by email and/or next-day (excluding Sundays and Court holidays) express delivery service as follows:

(i) If to Defendants, then to:

Timothy J. O'Brien, Esq.  
Libby O'Brien Kingsley & Champion, LLC  
62 Portland Road, Suite 17  
Kennebunk, ME 04043

tobrien@lokllc.com  
Attorney for GAS

Roger M. Yale, Esq.  
Yale Law Firm  
1417 E. McKinney Street, Suite 220  
Denton, TX 76209  
roger@yalelawgroup.com  
Attorney for GAS

Robert C. Brooks, Esq.  
Tawny L. Alvarez, Esq.  
Verrill Dana, LLP  
One Portland Square  
Portland, ME 04112-0586  
rbrooks@verrilldana.com  
talvarez@verrilldana.com  
Attorneys for Lufthansa

(ii) If to Class Representative, then to:

Nicholas Woodfield, Esq.  
The Employment Law Group, PC  
888 17th Street, NW, Suite 900  
Washington, DC 20006-3307  
nwoodfield@employmentlawgroup.com

Jeffrey Neil Young, Esq.  
Johnson, Webbert & Young  
160 Capital Street, Suite 3  
Augusta, ME 04330  
jyoung@johnsonwebbert.com

2.12.11. The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties; but this Stipulation is not designed to and does not create any third-party beneficiaries, either express or implied.

2.12.12. The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of the Stipulation, and all Settling Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement

embodied in the Stipulation. Any action to enforce this Stipulation shall be commenced and maintained only in the United States District Court for the District of Maine.

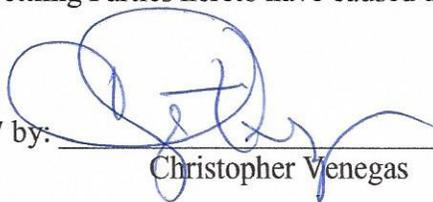
2.12.13. The Settling Parties agree and understand that there shall be no injunctive relief included as part of any court order as to them.

2.12.14. The Stipulation and the exhibits shall be considered to have been negotiated, executed, and delivered, and to have been wholly performed, in the State of Maine, and the rights and obligations of the Settling Parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the substantive laws of the State of Maine without giving effect to Maine's choice of law principles.

2.12.15. The language of all parts of this Stipulation shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either party. No party shall be deemed the drafter of this Stipulation. The Settling Parties acknowledge that the terms of the Stipulation are contractual and are the product of arms-length negotiations between the Settling Parties and their counsel. Each party and their counsel cooperated in the drafting and preparation of the Stipulation. In any construction to be made of the Stipulation, the Stipulation shall not be construed against any party.

IN WITNESS WHEREOF, the Settling Parties hereto have caused the Stipulation to be executed.

Executed this 09 day of January, 2017 by:

  
\_\_\_\_\_  
Christopher Venegas

Executed this 16 day of January, 2017 by: Greg Katonica  
for Global Aircraft Service, Inc.

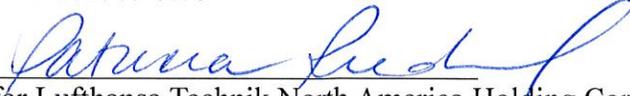
Print Name: Greg Katonica

Title: President

Executed this 13<sup>th</sup> day of January, 2017 by:



for Lufthansa Technik North America Holding Corp.  
Susanne Palkowski  
President & CEO



for Lufthansa Technik North America Holding Corp.  
Patricia Riedesel  
Director Finance & Accounting and Assistant Secretary