

NOTICE OF CLASS ACTION SETTLEMENT

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

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

Why should you read this Notice?

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

A hearing concerning the fairness of the Settlement will be held before the Hon. Stephen V. Wilson on October 30, 2017 at 1:30 p.m. at the following address: United States Courthouse, First Street Courthouse, 350 W. 1st Street, Los Angeles, CA 90012, Courtroom 10A, 10th Floor, to determine whether the case should be settled. The date and time of the Final Fairness Hearing may change without further notice to the Class. Updated information regarding the date and time of the hearing will be posted on the case website at www.DeltaWageSettlement.com.

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

Who is affected by this proposed Settlement?

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

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

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

What is this case about?

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

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

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

Who are the attorneys representing the Parties?

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

Matthew J. Matern	James M. Finberg
Dalia R. Khalili	Eileen B. Goldsmith
Matthew W. Gordon	Eric P. Brown
Matern Law Group, PC	Altshuler Berzon LLP
1230 Rosecrans Ave., Suite 200	177 Post Street, Suite 300
Manhattan Beach, CA 90266	San Francisco, CA 94108
Telephone: (310) 531-1900	Telephone: (415) 421-7151

The attorneys for Defendant are:

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

What are the Settlement terms?

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

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

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

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

Class Counsel Attorneys’ Fees and Costs, Class Representative Service Payment, and Administrative Costs.

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

What is my estimated Settlement Payment?

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

Eligible workweeks: N/A

Estimated Settlement Payment: N/A

What claims are being released by the proposed Settlement?

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

What are my options in this matter?

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

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

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

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

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the Settlement, you must submit a signed written request to be excluded from the Settlement ("Opt-Out Request") to the Settlement Administrator. To be valid, your Opt-Out Request must be postmarked on or before **October 12, 2017**. If you do not timely submit a signed Opt-Out Request (as evidenced by the postmark), your Opt-Out Request will be rejected, you will be deemed a member of the Settlement Class, and you will be bound by the release of Released Claims as described in the "What claims are being released by the proposed Settlement?" section above and all other Settlement terms. If the Opt-Out Request is sent from within the United States, it must be sent through the United States Postal Service by First-Class U.S. Mail, or the equivalent. If you timely submit a signed Opt-Out Request, you will have no further role in the Action, and for all purposes, you will be regarded as if you never were either a party to this Action or a Class Member, and thus you will not be entitled to any payment from the Settlement and will not be entitled to or permitted to assert an objection to the Settlement.

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

Lopez v. Delta Air Lines, Inc. Settlement Administrator
P.O. Box 404000
Louisville, KY 40233-4000
Tel: 877-862-1768

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

All objections must be signed and set forth your name, address, telephone number, and the name and number of the Action: *Lopez v. Delta Air Lines, Inc.*, Case No. 2:15-cv-07302-SVW-SS. All objections must be postmarked no later than **October 12, 2017**. Your objection must clearly state the reasons why you believe the Court should find that the proposed Settlement is not in the best interest of the Settlement Class, and why you believe the Settlement should not be approved. The Settlement Administrator shall forward copies of any objections to Class Counsel and to Defendant's Counsel within three days of receipt. Class Counsel shall submit copies of any objections received to the Court in conjunction with the filing of the motion for final approval of the Settlement.

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

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

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

The Court will hold a Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the settlement administration costs, and the service payments to the Class Representatives on October 30, 2017, at 1:30 PM in Courtroom 10A, 10th Floor of the United States District Court, Central District of California, located at the First Street Courthouse, 350 W. 1st Street, Los Angeles, CA 90012. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive a share of the Settlement.

How can I get additional information?

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

Any questions regarding this Notice should be directed to the Settlement Administrator or to Class Counsel at the addresses listed above in this Notice. For more information you may also call the Settlement Administrator toll-free at 877-862-1768.

What should I do if my address changes?

If you received this Notice at an address other than the address shown on the Notice, or if your address changes, please promptly contact the Settlement Administrator toll-free at 877-862-1768. This will ensure that you receive further notices about this settlement, and that you receive your Settlement Payment if the settlement is approved by the Court.

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

BY ORDER OF THE U.S. DISTRICT COURT