

THIS IS AN IMPORTANT COURT-APPROVED NOTICE. READ CAREFULLY.

*Ponce v. AH 2005 Management, L.P.; Pillar Hotels and Resorts, LLC; AH 2005 Management Gen-Par, LLC;
et. al*

Alameda County Superior Court
Case No. RG18890254

If you worked as a non-exempt employee in California for AH 2005 Management, L.P., Pillar Hotels and Resorts, LLC, or AH 2005 Management Gen-Par (“AH 2005”) at any time from November 13, 2013, through February 7, 2020, a class action lawsuit may affect your rights.

This is a court-authorized notice. It is not a solicitation from a lawyer.

- You have been identified as a Class Member (as defined below) in a Lawsuit (as defined below) brought by a former AH 2005 employee.
- The Court has preliminarily approved a class action settlement with AH 2005, in accordance with the terms of the Joint Stipulation of Settlement filed in the Lawsuit (the “Settlement”), which will affect all hourly paid employees employed by AH 2005 in California from November 13, 2013 through February 7, 2020 (the “Class Period”).
- If the Court grants final approval of the Settlement, there will be money available to you.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
PARTICIPATE IN THE SETTLEMENT – <u>NO ACTION REQUIRED</u>	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become part of the Settlement Class (as defined below) and will collect a settlement award as detailed below. But you give up certain rights to sue AH 2005 separately about the legal claims raised in this Lawsuit.
OBJECT TO THE SETTLEMENT – <u>ACTION REQUIRED</u>	Stay in this Lawsuit. Object to the Settlement. May give up certain rights. If you object to the Settlement, you will remain a member of the Class (as defined below), and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members (as defined below) who do not object.
ASK TO BE EXCLUDED – <u>ACTION REQUIRED</u>	Get out of this Lawsuit. Get no payments from it. Keep rights. If you ask to be excluded from the Settlement, you won’t receive any payments. But you keep any rights to sue AH 2005 separately about the legal claims raised or that could have been raised in this Lawsuit.

- Your options are explained in this notice. To object to the Settlement or to ask to be excluded, you must act before April 23, 2020.
- **Any questions?** Read on or contact Class Counsel (as defined below) or the Settlement Administrator (as defined below).

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BASIC INFORMATION

1. Why did I get this notice?

AH 2005 records show that you currently work, or previously worked for AH 2005 in California as a non-exempt, hourly paid employee. This notice explains that the Court has given preliminary approval to a Settlement in a conditionally certified class action lawsuit that may affect you. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the final hearing. You have legal rights and options that you may exercise as part of this Settlement. Judge Winifred Smith of the Superior Court of the State of California, County of Alameda, is overseeing this lawsuit. The lawsuit is known as *Ponce v. AH 2005 Management, LP, et al.*, Case No. RG18890254 (the "Lawsuit").

2. What is this Lawsuit about?

The Lawsuit is about whether AH 2005 provided hourly paid employees with proper meal periods, authorized rest periods, paid all minimum and overtime wages, paid all wages owed upon termination of employment, provided proper wage statements, reimbursed for business expenses, violated California's Unfair Competition Law, or violated the Private Attorneys General Act of 2004, all as required by applicable California laws.

AH 2005 denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit and further denies that any of the claims are appropriate for class treatment. AH 2005 contends, among other things, that it has complied at all times with applicable law in connection with its compensation of Class Members.

3. What is a class action and who is involved?

In a class action lawsuit such as this, persons called "Class Representatives" sue on behalf of other people who may have similar claims. The people together are a "Class" and individually are "Class Members." The Class Representatives are also called the Plaintiffs. The company that was sued (in this case AH 2005) is called the Defendant. In Class litigation, one Court resolves the issues for everyone in the Class in one lawsuit – except for those people who choose to exclude themselves from the Class.

4. Why is this Lawsuit a class action?

As part of the Settlement with AH 2005, Plaintiff and AH 2005 agreed to conditionally certify the Class as a class action with respect to all of the claims Plaintiff alleged against AH 2005, for settlement purposes only, and to ask the Court to approve the Settlement. The Court has not ruled on the merits of these claims, and the decision to certify the agreed-upon Class for settlement purposes should not be viewed as a prediction or agreement that Plaintiff or the Class would ultimately prevail on the merits of the action.

5. What are the terms of the proposed Settlement?

The major terms of the Settlement are as follows:

1. AH 2005 has agreed to pay \$1,925,000 to settle the claims made in the Lawsuit. This amount is also known as the “Gross Settlement Amount.”
2. Plaintiff Maria Ponce agreed to release all of her claims in the Lawsuit against AH 2005.
3. Plaintiff seeks the following deductions from the \$1,925,000 Gross Settlement Amount:
 - a. One-third of the Gross Settlement Amount (which is currently equal to \$641,666.00) for Class Counsel’s attorneys’ fees.
 - b. Up to \$30,000 for reimbursement of Class Counsel’s litigation costs.
 - c. An incentive award of \$10,000 for Plaintiff Maria Ponce for having filed this Lawsuit, work performed, and risks undertaken.
 - d. Up to \$20,500 to cover the costs of the Settlement Administrator.
 - e. An allocation of \$20,000 in civil penalties, \$15,000 of which will be paid to the California Labor and Workforce Development Agency for release of Private Attorneys General Act of 2004 (“PAGA”) claims. The remaining \$5,000 will be distributed to Class Members who worked for Defendants at any time from November 13, 2016 through February 7, 2020.

If the Court approves each of the requested deductions from the Gross Settlement Amount, the Parties estimate there will be approximately \$1,202,834 remaining. The remaining funds will be referred to as the “Net Settlement Amount.” The Net Settlement Amount will be distributed to Class Members who do not request exclusion (the “Participating Class Members”) according to the following formula:

The Settlement Administrator will calculate the total Qualifying Workweeks for all Settlement Class Members. Qualifying Workweeks means the number of workweeks during which Class Members worked for Defendant during the Class Period (November 13, 2013 through February 7, 2020). The Net Settlement Amount will be divided by the total number of Qualifying Workweeks by all Class Members during the Class Period and then allocated on a pro rata basis.

Your estimated Individual Settlement Payment is listed in section 8 of this Notice. Payroll deductions will be made to your Individual Settlement Payment for state and federal withholding taxes and any other applicable payroll deductions owed by you as a result of the payment, with 10% allocated to wages, 30% allocated to interest, and 60% allocated to penalties. The taxes ordinarily paid by an employer will be paid separately and in addition to the Gross Settlement Amount.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The “Settlement Class” is the group of all persons who worked as non-exempt, hourly paid employees in California for AH 2005 at any time from November 13, 2013, through February 7, 2020 (the “Class Period”).

7. I’m still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting Phoenix Settlement Administrators the “Settlement Administrator”, at the designated phone number for this matter at 1-800-523-5773, or by calling or writing the lawyers representing the Class in this case (“Class Counsel”), at the phone number or address listed in section 18.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class, object to the settlement, or ask to be excluded from the Settlement, and you have to decide this by no later than April 23, 2020.

8. What is my approximate Individual Settlement Payment?

According to payroll records maintained by AH 2005, the total number of weeks you worked in California for AH 2005 as an hourly paid employee during the Class Period is <<Weeks>>.

Based on information provided above, anticipated court-approved deductions, and preliminary calculations of Qualifying Workweeks, it is estimated your share of the Settlement will be \$<<Sett>>, less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you.

If you believe your total weeks worked during the Class Period shown above are not correct, you may send a letter to the Settlement Administrator indicating what you believe is correct. You may also send any documents or other information that supports your belief that the information set forth above is incorrect. The Settlement Administrator will resolve any dispute based upon AH 2005’s records and any information you provide. Please be advised that the number of weeks you worked as an hourly paid employee in California during the Class Period is presumed to be correct unless you submit documents to support your dispute. Any such dispute must be mailed to the Settlement Administrator no later than April 23, 2020.

9. What rights am I releasing if I participate in the Settlement?

You are releasing AH 2005 from all claims that were alleged in Plaintiff’s operative complaint, including the following: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to provide accurate wage statements; (6) failure to pay timely final wages upon termination of employment; (7) failure to reimburse necessary business expenses; (8) violations of the California Unfair Competition Law; and (9) enforcement of the Private Attorneys General Act of 2004 (“PAGA”) (“Released Claims”). You will release these Released Claims through February 7, 2020.

10. How do I object to the Settlement?

If you are a Class Member and would like to object to the Settlement, you must not submit a request for exclusion (*i.e.*, must not opt out). If you submit both a request for exclusion and an objection, you will be excluded from the settlement (see paragraphs 11 and 12 below), and your objection will not be considered. No later than April 23, 2020, you should mail a written objection to the Settlement Administrator (at the address in section 18 below) setting forth the grounds of objection, signed and dated by you or your attorney, along with any supporting documents. You can also appear at the final approval hearing yourself or through an attorney. The information for the hearing is included in Section 17 of this notice.

11. Why would I ask to be excluded?

You have the right to exclude yourself from the Settlement. If you exclude yourself from the Class—sometimes called "opting-out" of the Class – you won't get any money or benefits from the Settlement. However, you may then be able to sue or continue to sue AH 2005 for your own Claims if permitted by law. If you exclude yourself, you will not be legally bound by the Court's disposition of this Lawsuit. If you exclude yourself, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations.

12. How do I ask to be excluded from the Class?

If you are a member of the Class described above and would like to exclude yourself from the Class, you need to submit a written request for exclusion which states the following:

“I wish to exclude myself from the settlement reached in the matter of *Ponce v. AH 2005 Management, L.P.*, Case No. RG18890254. I understand that by excluding myself, I will not receive any money from the settlement.”

This request must be signed and mailed to the Settlement Administrator at the address below in section 18, and it must be postmarked on or before April 23, 2020. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. Any Class Member who requests to be excluded from the Class will not be entitled to any recovery under the Settlement and will not be bound by the Settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely request for exclusion on or before April 23, 2020 shall be bound by all terms of the Settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court decided that Aegis Law Firm, PC is qualified to represent you and all Class Members. This law firm is called "Class Counsel" in the context of this case. The law firm’s attorneys are experienced in handling similar cases against other employers. More information about this law firm, their practice, and their lawyers' experience is available at www.aegislawfirm.com.

14. How will the lawyers be paid?

As part of the Settlement with AH 2005, Class Counsel has requested one-third of the Gross Settlement Amount (currently, that is equal to \$641,666.00) in attorneys' fees, plus costs not to exceed \$30,000, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel’s fees and costs from your Individual Settlement Payment.

15. How will the Plaintiff be paid?

As part of the Settlement with AH 2005, Class Counsel has requested an enhancement of up to \$10,000.00 to be paid to the Plaintiff for her efforts in this matter during initial investigation, mediation and the like, while serving as Class Representative and taking on the burden and risks of litigation.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

16. Who is handling the Settlement Administration process?

The Settlement Administrator, Phoenix Settlement Administrators, will handle the process.

17. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for June 19, 2020 at 11:00 a.m. in Department 21 of the Superior Court of the State of California, County of Alameda, located at 1225 Fallon Street, Oakland, California 94612. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement as discussed above, you may appear at the hearing to object.

GETTING MORE INFORMATION

18. Are more details available?

The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online on the Alameda County Superior Court's website, known as "DomainWeb," at <https://publicrecords.alameda.courts.ca.gov/PRS>. After arriving at the website, click the "Search by Case Number" link, then enter RG18890254 as the case number and click "SEARCH." Images of every document filed in the case may be viewed through the "Register of Actions" at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings. You may also view this notice and the most important documents in this case at the Settlement Administrator's website at www.phoenixclassaction.com/ponce-v-ah-2005/.

You may contact the "Settlement Administrator," which is:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Fax: (949) 209-2503

You may contact Class Counsel:

Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Fawn F. Bekam
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
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Please note that AH 2005 will NOT retaliate against any employee or Class Member for participating or not participating in this Lawsuit. AH 2005 prohibits retaliation and will not tolerate retaliation against any employee who participates in this Settlement or who chooses not to participate. AH 2005 supervisors and managers of Class Members will not be provided or have access to information pertaining to the identity of Class Members or their choices related to this Settlement.

PLEASE DO NOT CALL OR WRITE TO THE JUDGE OR TO THE COURT, OR TO ANY AH 2005 MANAGER OR SUPERVISOR REGARDING THIS NOTICE OR THE LAWSUIT.