

LEGAL NOTICE

If you worked for Royal Hospitality, Inc. d/b/a Ramada Inn as an hourly, non-exempt employee in the state of California at any time between September 14, 2014 and May 3, 2019, a class action settlement will affect your rights.

A court authorized this Notice as part of the following lawsuit:

Maria Ortiz Nieto v. Royal Hospitality, Inc. d/b/a Ramada Inn, Case No. 37-2018-00046611-CU-OE-CTL

Maria Ortiz Nieto filed a class action lawsuit against Royal Hospitality, Inc. d/b/a Ramada Inn (“Defendant”) with the San Diego County Superior Court, asserting that Defendant violated California law regarding the payment of wages and other wage and hour issues. Ms. Nieto is referred to as the “Plaintiff.”

The lawsuit is entitled Maria Ortiz Nieto, et al. v. Royal Hospitality, Inc., a California corporation d/b/a Ramada Inn, et al., San Diego County Superior Court Case No. 37-2018-00046611-CU-OE-CTL and alleges the following claims: (1) failure to pay all minimum wages; (2) failure to pay overtime wages; (3) failure to provide all meal periods; (4) failure to authorize and permit all rest periods; (5) failure to pay all wages upon termination; (6) failure to issue accurate, itemized wage statements; (7) waiting time penalties; (8) unfair competition; and (9) violation of California Labor Code § 2698, *et seq.* (PAGA).

Plaintiff, on behalf of the Class, and the Defendant have entered into a settlement agreement, which is subject to court approval. The Court in charge of this case has preliminarily approved the settlement.

The Court still has to decide whether to grant final approval of the settlement. Payments will be made only if the Court grants final approval of the settlement and after any appeals are resolved.

If you qualify as a Class Member, you could receive money from the settlement.

Your rights and options – and the deadlines to exercise them – are explained in this Notice.

Your legal rights are affected whether you act or don’t act. Read this Class Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be paid your Claim Amount and you will give up any rights to sue for the Released Claims (defined below).
EXCLUDE YOURSELF	Retain all rights you may have against Defendant. Waive the right to participate in the settlement and to receive any money from the settlement.
OBJECT	Write to the Court about why you don’t agree with the settlement. The Court may or may not agree with your objection. Receive a settlement share and give up any rights to sue for the Released Claims.

This is the information that we have for you:

Name: <<ContactName>>

Address: <<Address>>

Last 4 Digits of Social Security Number: <<SSN>>

Estimated number of Qualifying Work Weeks you were employed by Defendant as an hourly, non-exempt employee in California between September 14, 2014 and May 3, 2019: <<Weeks>>

YOUR ESTIMATED GROSS INDIVIDUAL SETTLEMENT PAYMENT IS: \$<<EstSettAmt>>

This is only an estimate based on the number of Qualifying Work Weeks set forth above. The actual amount may vary.

If your address changes, or is different from the address on the envelope enclosing this notice, please promptly notify Phoenix Settlement Administrators, the Settlement Administrator identified below.

1. Why Did I Get This Notice Package?

You are not being sued. Plaintiff sued Defendant in a class action on behalf of similar employees like you.

Defendant's records show that you worked for Defendant in California as an hourly, non-exempt employee at some point during the period from September 14, 2014 and May 3, 2019. This means you are a Class Member who is entitled to participate in the settlement of the Lawsuit.

You have received this Notice because, as a Class Member, you have a right to know about the proposed settlement of the Lawsuit and about your options before the Court decides whether to grant final approval of the settlement. If the Court approves the settlement, and after any objections and appeals are resolved, a Settlement Administrator appointed by the Court will make the settlement payments to all Settlement Class Members who do not timely and properly exclude themselves from the Settlement (as explained below).

This Class Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What Is This Lawsuit About?

Plaintiff Maria Ortiz Nieto filed this action on September 14, 2018. Plaintiff asserts claims against Defendant for: (1) failure to pay all minimum wages; (2) failure to pay overtime wages; (3) failure to provide all meal periods; (4) failure to authorize and permit all rest periods; (5) failure to pay all wages upon termination; (6) failure to issue accurate, itemized wage statements; (7) waiting time penalties; (8) unfair competition; and (9) violation of California Labor Code § 2698, et seq. (PAGA).

Plaintiff seeks recovery of unpaid wages, restitution, injunctive relief and statutory and civil penalties. Plaintiff also seeks an award of attorneys' fees, interest, and costs.

Defendant denies all allegations and all wrongdoing and maintains that it has paid and provided meal and rest breaks to all of its hourly, non-exempt employees in compliance with applicable laws. Defendant notes that this Settlement was established specifically to avoid the cost of proceeding with litigation and does not constitute an admission of liability. The Court has not ruled on the merits of the claims.

3. Do I Need to Hire an Attorney?

You do not need to hire your own attorney. You are already represented by Class Counsel (see Section 17 for contact information). However, you may hire your own attorney at your own expense if you choose to do so.

4. What Is Defendant's Position?

Defendant denies and continues to deny the Plaintiff's allegations. Nevertheless, Defendant has concluded that any further defense of this litigation would be protracted and expensive. Substantial amounts of time, energy and resources of Defendant have been spent and will continue to be devoted to the defense of the claims asserted unless there is a settlement.

5. Why Is There A Settlement?

The Court did not decide in favor of Plaintiff or Defendant. After a thorough investigation into the facts of this lawsuit, both sides agreed to a settlement after using a neutral third-party mediator. The class claims were settled because Class Counsel and the Plaintiff believe that the amount of the settlement is fair and reasonable in light of the strengths and weaknesses of the claims and the risks associated with pursuing further litigation. Defendant believes the settlement is in its best interest to avoid further costs of litigation.

6. How Do I Know If I Am Part Of The Settlement?

You are a member of the Class if you fall within the class definition. The Class is defined as: all persons who are or have been employed by Defendant as an hourly, non-exempt employees in the State of California at any time from September 14, 2014, through May 3, 2019 ("Class Period").

7. What Does the Settlement Provide?

As part of the settlement, Defendant agrees to pay a maximum Gross Settlement Fund of \$170,000.00.

Within seven (7) calendar days from the Effective Date of the Settlement (as defined below), Defendant will deposit into a Qualified Settlement Account established by the Settlement Administrator the full amount of the Gross Settlement Fund.

Within twenty-one (21) calendar days of Effective Date of the Settlement (as defined below), the Settlement Administrator will issue payments to: (a) Class Members; (b) the California Labor and Workforce Development Agency; (c) Plaintiff; and (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement. Defendant has no obligation to deposit such funds prior to the deadlines set forth herein.

As used in this Settlement, "Effective Date" means the date by which this Settlement is finally approved as provided in this Agreement and the Court's Final Judgment in both cases ("Final Judgment" or "Judgment") become final. For purposes of this paragraph, the Final Judgment "becomes final" upon the latter of: (a) if there are no objections to the Settlement by Class Members, the Effective Date shall be the date of the trial Court's order finally approving the Settlement; or (b) if an objection is timely made/asserted by a Class Member; and in addition, (1) the date affirmance of an appeal of the Judgment becomes final or the expiration of the time for filing a petition for review or certiorari of or as to the Final Judgment or of any Court of Appeals' decision relating to the Final Judgment and, if review is granted, the date of final affirmance of the Final Judgment following review pursuant to that grant; (2) the date of final dismissal of any writ of certiorari as to or appeal from the Judgment or the final dismissal of any proceeding on review of any Court of Appeals' decision relating to the Judgment; or (3) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Judgment.

Class Counsel will ask the Court to order that the following payments be made from the Gross Settlement Fund: (1) attorneys' fees not to exceed \$56,666.67; (2) reimbursement of litigation costs not to exceed \$20,000.00; (3) the amount payable to the Plaintiff of up to \$5,000.00 as approved by the Court (this amount is in addition to whatever payment Plaintiff is otherwise entitled to as Class Member and is intended to compensate Plaintiff for the time and expense of her involvement in this lawsuit); (4) a \$3,750.00 payment to the California Labor & Workforce Development Agency ("LWDA"); (5) the costs of the Settlement Administrator estimated at \$8,750.00 for the expense of notifying the Class Members of the Settlement, processing claims and requests for exclusions submitted by Class Members, and distributing Individual Settlement Payments; (6) payments to the Class Members who do not request exclusion from the Settlement.

Settlement Class Members who do not request exclusion from the Settlement will receive payments from the Net Settlement Fund. The Net Settlement Fund is the portion of the Class Settlement Amount available for distribution to Settlement Class Members after deduction of the Court-approved attorneys' fees and litigation costs, incentive payment to Plaintiff, payment to the LWDA; and the Settlement Administration Costs. The estimated amount of the Net Settlement Fund is \$65,833.33.

8. How Was My Share Of The Settlement Calculated?

Participating Settlement Class Members will be paid out of the Net Settlement Fund (the portion of the Class Settlement Amount remaining after deduction of the Court-approved attorneys' fees and litigation costs, incentive payment to Plaintiff, payment to the LWDA; and the Settlement Administration Costs) as follows:

The Settlement Administrator will calculate the total number of weeks worked by each Class Member ("Individual Workweeks") and the total number of weeks worked by all Class Members ("Class Workweeks") during the Class Period.

The number of Individual Workweeks for each Class Member will be determined by adding all the calendar days within the Class Period and dividing that number by seven. Any partial workweek will be rounded up to the nearest full workweek. To determine each Class Member's Individual Settlement Payment, the Settlement Administrator will use the following formula: Individual Settlement Payment = (Individual Workweeks ÷ Class Workweeks) × Net Settlement Fund.

Next, one-third of each Class Member's Gross Individual Settlement Payment will be designated for alleged unpaid wages, for which an IRS Form W-2 shall be issued, and two-thirds will be designated for alleged interest and penalties, for which an IRS Form 1099 shall be issued, as appropriate. The wage portion will be subject to deductions for employee portions of state and federal withholding taxes, including the employee FICA, FUTA and SDI contributions and any other applicable payroll deductions required by law. The resulting amount is the Class Member's Net Individual Settlement Payment.

9. What Do I Have To Do To Participate In The Settlement?

You do not need to take any action to receive an Individual Settlement Payment. You will receive your Individual Settlement Payment after the Court approves the settlement unless you submit a timely request for exclusion by the Notice Response Deadline - May 22, 2020.

If the Court grants final approval of the settlement, all Class Members who do not request exclusion from the settlement will be bound by the terms of the settlement regardless of whether they cash their Individual Settlement Payment.

California law protects Class Members from retaliation based on their decision to participate in a class action settlement. If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant's policies strictly prohibit unlawful retaliation. Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member's decision to either participate or not participate in the Settlement.

10. When Would I Get My Payment?

The Court will hold the Final Approval Hearing on or about June 12, 2020, or such other, later date as the Court may authorize, to determine whether the settlement is fair, reasonable, and adequate; and if there are objections, the Court will consider them. The Court will also be asked to approve Class Counsel's request for attorneys' fees and litigation costs, Plaintiff's incentive payment, and the Settlement Administration Costs. The hearing will be held in Department C-67 of the California Superior Court for the County of San Diego, Hall of Justice, FOURTH FLOOR, 330 W. Broadway, San Diego, California 92101.

The Final Approval Hearing may be postponed without further notice to Settlement Class members. You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.

If the Court grants final approval of the settlement, your Individual Settlement Payment will be mailed to you within approximately 21 days from the date of final judgment, unless there are objections, appeals, or other challenges to the final judgment. It is always uncertain when these issues can be resolved, and resolving them can take time.

11. What Rights Do I Give Up If I Participate Or Do Nothing?

Unless you exclude yourself, you will be deemed a Settlement Class Member, and you will be bound by the terms of the settlement, including releasing the Released Claims described below. That means that you will be unable to sue, or to continue to sue, or be part of any other lawsuit about the Released Claims. It also means that all of the Court's orders will apply to you and legally bind you.

Released Claims

As defined in the Stipulation and Settlement of Class Action Claims, the Released Claims are:

The Released Claims include, but are not limited to, all claims that were or could have been pled based on the factual allegations in the operative complaint, including without limitation, those having all of the characteristics below:

- (a) all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever that arose from September 14, 2014 through the May 3, 2019;
- (b) whether in tort, contract, or for violation of any state constitution, statute, rule or regulation, including state wage and hour laws;
- (c) whether for economic damages, non-economic damages, restitution, premium pay, penalties or liquidated damages;
- (d) arising out of, relating to, or in connection with: any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act, which are or could be the basis of claims: (a) that the Defendant failed to pay all straight time wages; (b) that the Defendant failed to pay all overtime pay; (c) that the Defendant failed to provide Plaintiffs with meal periods and/or rest breaks, or failed to compensate Plaintiffs for all hours worked in connection with meal periods and/or rest breaks, in accordance with California law, including any claims for waiting time penalties, premium pay, or inaccurate wage statements based on the factual allegations contained in the Class Action; (d) that the Defendant failed to compensate plaintiffs for all hours worked, including any claims for waiting time penalties, or inaccurate wage statements based on the factual allegations contained in the Class Action; (e) that the Defendant failed to compensate plaintiffs for all wages due upon termination in a timely fashion; (f) that the Defendant failed to provide the paystubs required by California law; (g) that the Defendant failed to comply with any California state wage and hour laws, based on the factual allegations contained in the Class Action; including any claims for waiting time penalties, premium pay, or inaccurate wage statements based on the factual allegations contained in the Class Action; (h) that the Defendant failed to keep any and all records required by California law based on the factual allegations contained in the Class Action; (i) that the Defendant failed to comply with Labor Code Sections 201-203, 206, 206.5, 226, 226.7, 510, 512, California Business & Professions Code Section 17200, and/or Wage Order 1-2001 based on the factual allegations contained in the Class Action; (j) any claims brought under California Labor Code Section 2699, the "Private Attorney General Act" based on the factual allegations contained in the Class Action; or (k) that the Defendant owes wages, premium pay, penalties, interest, attorneys' fees or other damages of any kind based on a failure to comply with these state wage and hour laws and record keeping laws based on the factual allegations contained in the Class Action, at any times on or before the last day of the Class Period (whether based on California state wage and hour law, contract, or otherwise);
- (e) the causes of action asserted in the lawsuit, including any and all claims for alleged failure to provide meal periods and/or rest breaks, or alleged failure to pay all wages and/or premium pay on termination of employment, or alleged failure to provide accurate wage statements, or for waiting time penalties or for premium pay and, as related to the foregoing, for alleged unlawful, unfair and/or fraudulent business practices under California Business and Professions Code § 17200, et seq.;

- (f) any other claims based on any factual allegations pled in this lawsuit; and/or
- (g) This Release is based on the factual and legal claims asserted in Plaintiff's Complaint, filed on or about September 14, 2018, and only applies to those persons identified by the Released Parties as being a member of the Class in connection with the administration of this proposed settlement. Any person not identified by the Released Parties as being a member of the Class shall not and will not be affected by this Release. Further, this Release does not apply to any claim that as a matter of law cannot be released, including but not limited to claims for indemnification pursuant to California Labor Code section 2802, unemployment insurance benefits, and workers' compensation claims.

In addition to releasing the Released Parties from the Released Claims as outlined above, Settlement Class Members also release the Released Parties from the "Released Federal Law Claims." For purposes of the Settlement, the "Released Federal Law Claims" include all claims that were or could have been pled based on the factual allegations in the operative complaint, including without limitation:

- (a) any and all applicable federal law claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted; and
- (b) whether in tort, contract, or for violation of any federal constitution, statute, rule or regulation, including federal wage and hour laws, whether for economic damages, non-economic damages, restitution, penalties or liquidated damages, arising out of, relating to, or in connection with:
- (1) all federal law causes of action alleged in or that could have been alleged in the Complaint based upon the facts pleaded in the Complaint under any theory of law, including but not limited to: failure to pay wages, including straight time and overtime wages under the federal Fair Labor Standards Act ("FLSA"); failure to provide rest periods; failure to timely pay wages owed; and/or
- (2) any and all facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act, alleged in or that could have been alleged in the Complaint, based upon the facts pleaded in the Complaint under any theory of law, which are or could be the basis of claims related to the Company's alleged failure to failure to pay wages, including straight time and overtime under the FLSA; failure to provide rest periods; failure to timely pay wages owed; or other damages of any kind based on a failure to comply with any federal wage and hour laws, at any time during the Class Period (whether based on federal wage and hour law, contract, or otherwise).

The Settlement Class Members may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Released Claims and/or the Released Federal Law Claims, but upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims and Released Federal Law Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

The Settlement Class Members agree not to sue or otherwise make a claim against any of the Released Parties that is related to the Released Claims or Released Federal Law Claims.

This release shall have full res judicata effect as to FLSA claims for all Class Members as described in *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (9th Cir. 2018), regardless of whether that Class Member endorses and cashes his or her settlement check. However, in addition, the Settlement Administrator shall include the following language on each settlement check issued to Class Members: "By endorsing and cashing this check, I consent to join the FLSA settlement class and release any claims under the Fair Labor Standards Act that were pleaded or that could have been pleaded based upon the facts alleged in this action," and copies of these signed endorsements shall be provided to the Company and shall be filed with the Court as additional proof of consent, with confidential information redacted, if filing the consents is requested by the Court.

For purposes of this Settlement, "Released Parties" means:

Defendant and its assignees, and each of their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys and all of their respective officers, directors, employees, administrators, fiduciaries, trustees and agents.

12. How Do I Exclude Myself from the Settlement?

If you do not wish to participate in the settlement, you may exclude yourself by submitting a written request to the Settlement Administrator.

In order to be excluded from the settlement, you must mail a written signed statement, which must include your full name, signature, address, telephone number, last 4 digits of your social security number and a written statement requesting to be excluded from this Settlement.

You must sign the request for exclusion personally and may not have someone sign for you, nor may you submit a request for exclusion on behalf of a group. Your request for exclusion must be signed and returned via United States first class mail postmarked no later than May 22, 2020 to:

Phoenix Settlement Administrators
P.O. Box 7208, Orange, California, 92863
(800) 523-5733
notice@phoenixclassaction.com

If you submit a timely request for exclusion, then upon its receipt you shall no longer be a member of the Class, you shall be barred from participating in any portion of the settlement, you may not object and you shall receive no benefits from the settlement. If you do not submit a timely written request for exclusion, you will be deemed a Settlement Class Member and will be bound by the terms of the settlement (including the Released Claims and Released Federal Claims as described in Section 11 above).

Do not submit both an objection and request for exclusion. If you submit both, the request for exclusion will be valid, and you will be excluded from the settlement class.

13. What If The Information You Have For Me On Page One Is Incorrect?

If any of the information listed on page one of the Notice is incorrect, or if you wish to dispute the Individual Work Weeks figure set forth in this Notice, you must submit your corrections/dispute to the Settlement Administrator in writing. You must also include the details of your dispute and documentary evidence (for example, W-2s or paystubs) supporting the dispute. The deadline to submit a correction/dispute is May 22, 2020. The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Class Members. The Settlement Administrator's decision regarding any dispute will be final.

If you do nothing, you will receive an Individual Settlement Payment based on the information set forth in this Notice and you will be bound by the terms of the settlement (including the Released Claims and Released Federal Claims as described in Section 11 above).

14. When Is the Final Approval and Fairness Hearing?

The Court will hold a Final Approval Hearing in Department C-67 of the California Superior Court for the County of San Diego, Hall of Justice, FOURTH FLOOR, 330 W. Broadway, San Diego, California 92101, on June 12, 2020 at 9:00 a.m., or such other later date as the Court may authorize, to determine whether the settlement is fair, reasonable, and adequate; and if there are objections, the Court will consider them. The Court will also be asked to approve Class Counsel's request for attorneys' fees and litigation costs, Plaintiff's incentive payment, and the Settlement Administration Costs.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing unless you have timely filed an objection or notice of intention to appear with the Court.

15. How Do I Object to the Settlement and Appear at the Final Approval and Fairness Hearing?

You may object to the terms of the settlement before the Final Approval Hearing. However, if the Court rejects your objection, you will still be bound by the terms of the settlement. To object, you must mail a written objection to the Settlement Administrator.

Any written objection must contain a statement of your objections to this Settlement, a statement advising whether you plan to address the Court at the Final Approval Hearing, and any legal briefs, papers or memoranda you propose to submit to the Court. Your objection must also state your full name, address, telephone number, and the approximate dates of your employment at Defendant. To be valid and effective, any objections to approval of the settlement must be postmarked no later than May 22, 2020. DO NOT TELEPHONE THE COURT.

You do not have to attend the hearing, but you may do so at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

If the court approves the settlement despite any objections, you will receive your settlement proceeds and will be bound by the terms of the settlement (including the Released Claims and Released Federal Claims as described in Section 11 above).

16. How Do I Get Additional Information?

This Notice only summarizes the Lawsuit, the settlement and related matters. For more information, you may inspect the Court files at the Records Department, San Diego County Superior Court, located at the Hall of Justice, FOURTH FLOOR, 330 W. Broadway, San Diego, California 92101. Any questions regarding this notice or Lawsuit may be sent to the Settlement Administrator at P.O. Box 7208, Orange, CA 92863. You may also access additional information and important documents from the case at the following website address: <http://www.phoenixclassaction.com/ortiz-nieto-v-royal-hospitality/>. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address and telephone number set forth below.

You may also contact the attorneys for the parties as follows:

CLASS COUNSEL	DEFENDANT'S ATTORNEYS
LIDMAN LAW, APC SCOTT LIDMAN ELIZABETH NGUYEN MILAN MOORE 222 N. Sepulveda Blvd., Suite 1550 El Segundo, California 90245 Telephone: (424) 322-4772 HAINES LAW GROUP, APC PAUL K. HAINES 222 N. Sepulveda Blvd., Suite 1550 El Segundo, California 90245 Telephone: (424) 292-2350	SOLOMON WARD SEIDENWURM & SMITH, LLP WILLIAM V. WHELAN MEI-YING M. IMANAKA 401 B Street, Suite 1200 San Diego, California 92101 Telephone: (619) 231-0303

PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE SETTLEMENT PAYMENT PROCESS.

BY ORDER OF THE CALIFORNIA SUPERIOR COURT