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16	SUDEDIOD COUDT OF TI	HE STATE OF CALIFORNIA		
17	SUPERIOR COURT OF IT	IE STATE OF CALIFORNIA		
,	FOR THE COUNTY	Y OF LOS ANGELES		
18		TOT BOSTA (OBBES		
19	BEATRIZ G. PIMENTEL, individually and	Case No.: 21STCV01656		
19	on behalf of all other members of the general			
20	public similarly situated;	Hon. Carolyn B. Kuhl		
		Dept. SSC12		
21	Plaintiff,			
22		Action Filed: January 12, 2021		
	VS.			
23				
24	IBH ROME LLC, a Delaware corporation; IB	JOINT STIPULATION OF CLASS		
4	HOSPITALITY INC., a Delaware corporation;	ACTION AND PAGA SETTLEMENT		
25	and DOES 1 through 50, inclusive,			
	Defendants.	Action Filed: August 21, 2020		
26	Detendants.	Action Filed: August 21, 2020		
27				

## JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement ("Settlement Agreement" or "Agreement") is entered into by and between Plaintiff Beatriz G. Pimentel, individually and on behalf of the Class Members on one hand ("Plaintiff" or "Class Representative"), and Defendants IBH Rome, LLC and IB Hospitality, Inc., on the other hand ("Defendants") (collectively, the "Parties").

This Agreement is subject to the approval of the Court, pursuant to California Rules of Court Rule 3.769 and Labor Code § 2699, and is made for the sole purposes of attempting to consummate the settlement of this Action on a class-wide and representative basis subject to the terms and conditions set forth within this Agreement. As detailed below, in the event the Court does not enter an order granting final approval of the Class Settlement and/or the PAGA Settlement, as defined below, or if the conditions precedent are not met for any reason, this Agreement is void and of no force or effect whatsoever.

NOW THEREFORE, in consideration of the promises and warranties set forth below, the Parties agree that this Action shall be fully compromised and settled pursuant to the following terms and conditions:

#### **DEFINITIONS**

- 1. "Agreement" or "Settlement Agreement" means this Joint Stipulation of Class Action and PAGA Settlement.
- 2. "Action" refers to the lawsuits entitled *Pimentel v. IBH Rome, LLC et al.*, Los Angeles Superior Court Case No. 21STCV01656 (the "*Pimentel* Class Action") and *Pimentel v. IBH Rome, LLC et al.*, Los Angeles Superior Court Case No. 20STCV31884 (the "*Pimentel PAGA Action*"). On March 29, 2021, the Parties filed a Joint Stipulation to Consolidate the *Pimentel* Class and PAGA Actions, which was granted by Judge Kuhl, the presiding judge in the *Pimentel* Class Action, on or about April 26, 2021 pending the filing of a First Amended Complaint. On or about February 17, 2022, the Parties filed a First Amended Complaint, which added all the claims and allegations asserted in the *Pimentel* Class and PAGA Actions for purposes of seeking approval of this Settlement Agreement.

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- 3. "Class Counsel" means Payne Nguyen, LLP.
- 4. "Class Counsel's Fees and Costs" means attorneys' fees for Class Counsel's litigation and resolution of the Actions and their expenses and costs incurred in connection with the Actions, which shall be paid from the Total Settlement Amount. Class Counsel will request attorneys' fees not to exceed thirty-five percent (35%) of the Total Settlement Amount (\$82,250.00) and the reimbursement of any costs and expenses associated with Class Counsel's litigation and settlement of the Actions, not to exceed Fifteen Thousand Dollars (\$15,000.00), subject to the Court's approval. Defendants have agreed not to oppose Class Counsel's request for fees and reimbursement of costs and expenses in the amounts set forth above.
- 5. "Class List" means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator within fourteen (14) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) total workweeks during the Class Period; and (6) any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement. The Class List shall be treated as confidential at all times.
- 6. "Class" or "Class Members" means all hourly, non-exempt employees employed by Defendants in the State of California during the Class Period.
- 7. "Class Notice" means the Notice of Class Action Settlement in a form substantially similar to the form attached hereto as Exhibit A, in both English and Spanish, that will be mailed to each Class Members' last known address and which will provide Class Members with information regarding the Actions and information regarding the settlement of the Actions.
- 8. "Class Period" means the period from January 12, 2017, through the date of Preliminary Approval of the Settlement Agreement. Plaintiff is entering into this Settlement based on Defendants' representation that the Class Members have worked a total of approximately 8,616 Workweeks during the Class Period prior to mediation. Defendants shall confirm, via a declaration, (1) a verified number of workweeks as of October 9, 2021 (the date of mediation),

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and (2) a verified number of workweeks as of one month prior to the filing of Plaintiff's Motion for Preliminary Approval.

- 9. "Class Representative" means Plaintiff Beatriz G. Pimentel in her capacity as the representative of the Participating Class Members.
- 10. "Class Representative Enhancement Payment" means the amount that the Court authorizes to be paid to Plaintiff Beatriz G. Pimentel, in addition to her Individual Settlement Payment, in recognition of the efforts and service to the Class Members, as well as for the General Release of her claims as provided herein.
- 11. "Court" means the Superior Court of the State of California for the County of Los Angeles.
  - 12. "Defendants" means IBH Rome, LLC and IB Hospitality, Inc.
- 13. "Defense Counsel" means Thy Bui, Joanna MacMillan, and Kelsey Link of Constangy, Brooks, Smith and Prophete, LLP.
- 14. "Effective Date" means the later of (1) the Final Approval Date if no objections are filed, or if any objections which were filed are withdrawn before the Final Approval Date; (2) if one or more objections are filed and not subsequently withdrawn, the Effective Date is the date five (5) calendar days after the deadline to file an appeal, unless an appeal is filed, in which case the Effective Date is the date five (5) calendar days after an appeal is dismissed or the Final Approval Order is affirmed on appeal. The Gross Settlement shall be funded thirty (30) calendar days following the Effective Date of the Settlement.
- 15. "Final Approval Date" means the later of (1) the date the Court signs an Order granting final approval of this settlement ("Final Approval") and Judgment; (2) if there is an objector, 60 days from the date of the Final Approval and Judgment; or (3) to the extent any appeals are filed, the date on which the appeals have been resolved or exhausted.
- 16. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Participating Class Member and any payment a PAGA Member is eligible to receive from the employee portion of the PAGA Penalties. Individual Settlement

Payments shall be paid by a settlement check made payable to Participating Class Members and/or PAGA Members.

- 17. "Net Settlement Amount" means the funds available for payments to the Class, which shall be the amount remaining after the following amounts are deducted from the Total Settlement Amount: (1) Class Counsel's fees; (2) Class Counsel's costs; (3) Settlement Administration Costs; (4) Class Representative Enhancement Payment to Plaintiff; and (5) PAGA Penalties to be paid to the California Labor and Workforce Development Agency ("LWDA") and PAGA Members.
- 18. "PAGA" means the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq., "PAGA").
- 19. "PAGA Penalties" means the amount that the Parties have agreed to allocate in order to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq.). The Parties have agreed that Ten Thousand Dollars (\$10,000.00) of the Total Settlement Amount will be allocated to the resolution of Plaintiff's PAGA claims. Seventy-five percent (75%) of the PAGA Penalties (i.e., \$7,500.00) will be paid to the LWDA in accordance with Labor Code §§ 2698 et seq. The remaining twenty-five percent (25%) of the PAGA Penalties (i.e., \$2,500.00), will be distributed to PAGA Members on a pro rata basis, the amount of which shall be calculated by the Settlement Administrator. PAGA Members will receive payment from the employee portion of the PAGA Penalties regardless of their decision to participate in the class action if the PAGA Penalties is approved by the Court.
- 20. "PAGA Period" means the period commencing on November 22, 2018 and ending on the date of Final Approval of the Settlement by the Court.
- 21. "PAGA Members" means all current and former non-exempt employees of Defendants employed by Defendants in the State of California at any time during the PAGA Period.
- 22. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean either Plaintiff or Defendants.

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- "Participating Class Members" means all Class Members who do not submit a 23. valid and timely Request for Exclusion.
- 24. "Pay Period" shall mean any bi-weekly pay period (i.e. pay period beginning on Sunday and ending on second following Saturday) in which a Class Member or PAGA Member performed work for Defendants at least one day.
  - 25. "Plaintiff" means Beatriz G. Pimentel.
- 26. "Preliminary Approval" means the Court order granting preliminary approval of the Settlement Agreement.
- 27. "Objection" means a Class Member's valid and timely written objection to the Settlement Agreement. For an Objection to be valid, it must include: (a) the objector's full name, address, telephone number, last four digits of the employee's social security number or employee ID number, and signature; (b) an indication whether the objector intends to appear at the Final Approval Hearing; and (c) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection.
- 28. "Released Claims" means all causes of action contained in the operative complaints in the Actions, including, without limitation: (1) Failure to pay overtime; (2) Failure to provide meal periods; (3) Failure to authorize and permit rest breaks; (4) Failure to pay minimum wages; (5) Failure to timely pay wages owed during employment; (6) Failure to timely pay final wages at termination; (7) Failure to provide accurate itemized wage statements; (8) Failure to maintain accurate records; (9) Violation of California Business and Professions Code § 17200, et seq.; and (10) Private Attorney General Act, Labor Code § 2698, et seq., through the date of Preliminary Approval. This release includes any and all claims of any kind that arise from or could have been asserted based on the facts alleged in the operative complaints in the Actions.
- 29. "Released Parties" means Defendant IBH Rome, LLC and Defendant IB Hospitality, Inc., as named by Plaintiff in the operative complaints in the Actions, and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators,

parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

- 30. "Request for Exclusion" means a valid and timely written statement submitted by a Class Member requesting to be excluded from the Actions. To be effective, the Request for Exclusion must contain (a) the Class Member's name, address, telephone number, and the last four digits of the Class Member's Social Security number and/or the Employee ID number and signature; (b) a statement indicating whether the Class Member intends to appear at the Final Approval Hearing(b) a clear statement requesting to be excluded from the settlement of the class claims similar to the following: "I wish to exclude myself from the class settlement reached in the matter of *Pimentel v. IBH Rome, LLC et al.* I understand that by excluding myself, I will not receive money from the settlement of my individual claims." To be effective, the Request for Exclusion must be post-marked by the Response Deadline and received by the Settlement Administrator.
- 31. "Response Deadline" means the date sixty (60) days after the Settlement Administrator mails the Class Notice to Class Members and the last date on which Class Members may submit Requests for Exclusion, written objections to the Settlement, or workweek disputes. In the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. No extensions will be provided for any Class Notices that must be re-mailed to Class Members.
  - 32. "Settlement" means the disposition of the Actions pursuant to this Agreement.
- 33. "Settlement Administrator" means Phoenix Settlement Administrators. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.
- 34. "Settlement Administration Costs" means the costs payable from the Total Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating/confirming the Class Members' Workweeks and Pay Periods from the information

 contained in the Class List, calculating each Participating Class Member's Individual Settlement Payment, tax reporting, distributing the Total Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties or the Court. Settlement Administration Costs shall not exceed Fifteen Thousand Dollars (\$15,000.00).

- 35. "Total Settlement Amount" means the gross sum of Two Hundred Thirty-Five Thousand Dollars (\$235,000.00). The Total Settlement Amount is non-reversionary; no portion of the Total Settlement Amount will return to Defendants. The Total Settlement Amount includes all (1) Individual Settlement Payments, (2) Class Counsel's Fees and Costs, (3) Class Representative Enhancement Payment to Plaintiff, (4) Settlement Administration Costs, and (5) PAGA Penalties. The Total Settlement Amount also includes all associated taxes and interests, with the exception of Defendants' corporate payroll tax obligation, which shall be paid in addition to the Total Settlement Amount.
- 36. "Workweek" shall mean any calendar week (i.e. a week beginning on Sunday and ending on Saturday) in which a Class Member or PAGA Member performed work for Defendants at least one calendar day.

#### RECITALS

- 37. These Actions are comprised of two separate lawsuits that are entitled as follows: Pimentel v. IBH Rome, LLC et al., Los Angeles Superior Court Case No. 21STCV01656 (the "Pimentel Class Action") and Pimentel v. IBH Rome, LLC et al., Los Angeles Superior Court Case No. 20STCV31884 (the "Pimentel PAGA Action"). On March 29, 2021, the Parties filed a Joint Stipulation to Consolidate the Pimentel Class and PAGA Actions, which was granted by Judge Kuhl, the presiding judge in the Pimentel Class Action, on or about April 26, 2021. On or about February 17, 2022, the Parties filed a First Amended Complaint, which consolidated all claims and allegations asserted in the Pimentel Class and PAGA Actions for purposes of seeking approval of this Settlement Agreement.
- 38. The First Amended Complaint collectively asserts the following class and representative causes of action: (1) Failure to pay overtime; (2) Failure to provide meal periods;

 (3) Failure to authorize and permit rest breaks; (4) Failure to pay minimum wages; (5) Failure to timely pay wages owed during employment; (6) Failure to timely pay final wages at termination; (7) Failure to provide accurate itemized wage statements; (8) Failure to maintain accurate records; (9) Violation of California Business and Professions Code § 17200, *et seq.*; and (10) Private Attorney General Act, Labor Code § 2698, *et seq.* 

- 39. In March of 2021, Parties agreed to mediate the Actions in an effort to avoid the high cost of litigation and on condition that Defendants would provide sufficient information to allow Class Counsel to conduct a thorough evaluation of the claims and damages at issue in this case. Defendants informally produced information including its compensation and policy documents, including relevant versions of its Employee Handbook, meal break waivers, as well as a 20% sampling of time and payroll records pertaining to Class Members and PAGA Members.
- 40. On October 9, 2021, the Parties participated in a private mediation with experienced and respected mediator Eve Wagner, Esq. of Signature Resolution. At the conclusion of the mediation, the Parties agreed to the material terms set forth in this Settlement Agreement.
- 41. While Defendants are confident of a positive outcome on the merits, Defendants have concluded that the future costs and expenses involved in continuing litigation would be significant. For that reason, Defendants have agreed to a settlement to eliminate any further expenses, attorneys' fees, and risks associated with further litigation of this Action.
- 42. Class Counsel has conducted a thorough investigation into the facts of the Actions, including a thorough review of relevant documents, and has diligently pursued an investigation of the claims of the Class against Defendants. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement Amount is fair, reasonable, adequate, and in the best interest of the Class in light of all known facts and circumstances.

## STIPULATION OF CLASS CERTIFICATION

43. <u>Class Certification.</u> The Parties stipulate and agree to the certification of this Action for purposes of this Settlement only. Should the Settlement not become final and effective as herein provided, class certification shall immediately be set aside and the Settlement Class immediately decertified. The Parties' willingness to stipulate to class certification as part of the

Settlement shall have no bearing on, and shall not be admissible in or considered in connection with, the issue of whether a class should be certified in a non-settlement context in these Actions and shall have no bearing on, and shall not be admissible or considered in connection with, the issue of whether a class should be certified in any other lawsuit.

- 44. In the event the Settlement Agreement fails to be approved or otherwise fails to be consummated for any reason whatsoever, including but not limited to the Judgment not becoming final, then Defendants retain all rights and defenses previously available to it, and any provisional certification of any class, or the adoption of any procedure or any ruling made pursuant to the terms contained herein, shall be undone and the Parties restored to their pre-settlement status as if no settlement had been reached and no decisions were made pursuant to it, except as otherwise expressly provided herein. In that event, nothing in this Settlement Agreement or other papers or proceedings related to the settlement shall be used as evidence or argument by any Party, including any Class Member who opts out, concerning whether or not the *Pimentel* Class Action may properly be maintained as a class action and/or the *Pimentel* PAGA Action may be properly maintained as a representative action pursuant to California state law.
- 45. <u>Non-Admission of Liability</u>. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, they have violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants or to

 establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

#### TERMS OF AGREEMENT

- Amount following Final Approval by the Court. The following will be paid out of the Total Settlement Amount: the sum of the Individual Settlement Payments, the Class Representative Enhancement Payment, Class Counsel's Fees and Costs, the PAGA Penalties, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side payroll taxes due on the Individual Settlement Payments, Defendants shall not be required to pay more than the Total Settlement Amount. The Total Settlement Amount is non-reversionary; no portion of the Total Settlement Amount will revert to Defendants.
- 47. Funding of the Total Settlement Amount. Within thirty (30) calendar days of the Effective Date of the Settlement, Defendants will deposit the Total Settlement Amount, and all applicable employer-side payroll taxes, into a Qualified Settlement Fund ("QSF") to be established by the Settlement Administrator. Defendants shall also provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including their official names, 8 digit state unemployment insurance tax ID numbers, and other information requested by the Settlement Administrator, no later than thirty (30) calendar days of the Effective Date.
- 48. <u>Distribution of the Total Settlement Amount.</u> Within seven (7) calendar days of the funding of the Settlement, subject to the conditions set forth below, the Settlement Administrator will issue payments for: (a) Individual Settlement Payments; (b) the PAGA Penalties to the LWDA; (c) the Class Representative Enhancement Payment; (d) Class Counsel's Fees and Costs; and (e) Settlement Administration Costs.
- 49. <u>Attorneys' Fees and Costs</u>. Defendants agree not to oppose or impede any application or motion by Class Counsel for attorneys' fees of up to thirty-five percent (35%) of the Total Settlement Amount (\$82,250.00) plus the reimbursement of costs and expenses associated with Class Counsel's litigation and settlement of the Actions, in an amount not to

exceed Fifteen Thousand Dollars (\$15,000.00), both of which will be paid from the Total Settlement Amount. Any portion of the requested fees or costs that is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

- 50. Class Representative Enhancement Payment. Defendants agree not to oppose or object to any application or motion by Plaintiff for a Class Representative Enhancement Payment of Seven Thousand Five Hundred Dollars (\$7,500.00) to the Plaintiff. The Class Representative Enhancement Payment is in exchange for the General Release of Plaintiff's individual claims, and for Plaintiff's time, effort and risk in bringing and prosecuting the Actions. Any adjustments made by the Court to the requested Class Representative Enhancement Payment shall not be deemed a material modification of this Agreement. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, it shall remain binding, and any portion of the requested Class Representative Enhancement Payment that is not awarded by the Court to the Class Representative shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.
- 51. <u>Settlement Administration Costs</u>. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Total Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not exceed Fifteen Thousand Dollars (\$15,000.00).
- 52. <u>PAGA Penalties</u>. Ten Thousand Dollars (\$10,000.00) of the Total Settlement Amount shall be allocated from the Total Settlement Amount for settlement of claims for civil penalties under the PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Penalties, or Seven Thousand Five Hundred Dollars (\$7,500.00), to the LWDA. The remaining twenty-five percent (25%) of the PAGA Penalties, or Two Thousand Five Hundred Dollars (\$2,500.00), will be distributed to PAGA Members on a *pro rata* basis based on the total number of Pay Periods worked by each PAGA Member during the PAGA Period. PAGA

Members shall receive their portion of the PAGA Penalties regardless of their decision to opt-out of the class settlement.

53. <u>Net Settlement Amount for Payment of Class Claims</u>. The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members' Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

<b>Estimated Net Settlement Amount:</b>	\$ 105,250.00
Settlement Administration Costs:	\$ 15,000.00
PAGA Penalties:	\$ 10,000.00
Class Counsel's Costs:	\$ 15,000.00
Class Counsel's Fees:	\$ 82,250.00
Class Representative Enhancement Payment:	\$ 7,500.00
Total Settlement Amount	\$ 235,000.00

- 54. <u>Individual Settlement Payment Calculations</u>. Individual Settlement Payments will be paid from the Net Settlement Amount and the 25% portion of the PAGA Penalties for PAGA Members and shall be paid pursuant to the formulas set forth herein:
- Calculation of Class Portion of Individual Settlement Payments. The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of workweeks worked by each Participating Class Member during the Class Period. The amount that each Participating Class Member will be eligible to receive will be calculated by dividing each Participating Class Member's individual Workweeks by the total Workweeks of all Participating Class Members, and multiplying the resulting fraction by the Net Settlement Amount.
- Settlement Administrator will calculate the total Pay Periods for all PAGA Members by adding the number of Pay Periods worked by each PAGA Member during the PAGA Period. The amount that each PAGA Member will receive will be calculated by dividing each participating PAGA Member's individual Pay Periods by the total Pay Periods of all PAGA Members, and multiplying

the resulting fraction by the 25% share of the PAGA Penalties designated for distribution to aggrieved employees. PAGA Members shall receive this portion of their Individual Settlement Payment regardless of whether they opt out of the participation regarding the class claims.

- Allocation of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows: twenty percent (20%) of each Individual Settlement Payment will be allocated as wages, forty percent (40%) shall be allocated as interest, and forty percent (40%) shall be allocated as penalties. The PAGA Penalties to PAGA Members will be designated entirely as payments for alleged penalties. The portion of the Individual Settlement Payment allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement Administrator.
- 55. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.
- 56. <u>Settlement Administration Process</u>. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement. The Settlement Administrator will provide the following services:
  - Translate the Class Notice from English to Spanish.
  - 56(b) Print and mail the Class Notice in English and Spanish.
  - Perform address searches as detailed below, including conducting additional address searches and skip traces for mailed Class Notices that are returned as undeliverable.
  - 56(d) Process Requests for Exclusion, Objections, calculate Participating

- Class Members' Individual Settlement Payment, field inquiries or disputes from Class Members.
- Calculate the Individual Settlement Payment each Participating Class Member is eligible to receive and the portion of the PAGA Penalties each PAGA Member shall receive.
- Provide declarations and/or other information to this Court as requested by the Parties and/or the Court.
- Provide weekly status reports to counsel for the Parties, including the total valid and timely Requests for Exclusion and the total number of Workweeks associated with those Class Members.
- 56(h) Establish and maintain a Qualified Settlement Fund.
- Calculate Defendants' share of employer taxes on the wage portion of the Individual Settlement Payments, which shall be paid in addition to the Total Settlement Amount.
- Print and issue Settlement Payment Checks, process W-2, 1099, and/or other tax forms to the Plaintiff, Class Counsel, Settlement Class Members, the Internal Revenue Service, the California Labor and Workforce Development Agency, California State Treasury, the Unclaimed Property Division of the California State Controller Office, and/or any other appropriate government authorities, including forwarding all payroll taxes, contributions, and withholdings to the appropriate government authorities.
- Post a notice of final judgment, after entry of the judgment, online at the Settlement Administrator's website for a period of sixty (60) days, or any other matter ordered by the Court pursuant to California Rules of Court Rules 3.769 and 3.771(b).
- 57. <u>Delivery of the Class List</u>. Within fourteen (14) calendar days of Preliminary Approval, Defendants will provide the Class List to the Settlement Administrator. This is a material term of the Agreement, and if Defendants fail to comply, Plaintiff shall have the right to

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27 28 void the Agreement.

- 58. Class Notice. All Class Members will be mailed a Class Notice. Each Class Notice will provide: (a) a brief explanation of the case, including the basic contentions and denials of the Parties; (b) a summary of the Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked for Defendants during the Class Period; (e) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period and PAGA Period; (g) the deadlines by which the Class Member must postmark Requests for Exclusion, Objections to the Settlement, or workweek disputes; (h) the claims to be released, as set forth herein; (i) the date for the final approval hearing; and (k) all other information required by California Rules of Court Rule 3.766(d).
- 59. Class Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving the Class List from Defendants, the Settlement Administrator will mail the Class Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.
- 60. Confirmation of Contact Information in the Class List. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.
- 61. Undeliverable Notices. Any Class Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skiptrace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. If a Class Member's Notice is returned to the

 Settlement Administrator more than once as non-deliverable on or before the Response Deadline, then an additional Notice need not be re-mailed and the Settlement Class Member is deemed to have received Notice. The Settlement Administrator shall email a Settlement Class Member's Notice upon request and proper verification by the Settlement Class Member or his or her counsel, provided a valid email address is given.

- 62. <u>No Claim Form Necessary</u>. All Settlement Class Members who do not request to be excluded from the Settlement will receive Individual Settlement Payments from the Net Settlement Amount; submission of a claim form is not necessary to receive an Individual Settlement Payment. The estimated Individual Settlement Payments will be stated in the Notice. This Settlement is non-reversionary.
- 63. <u>Disputed Information on Class Notice</u>. Class Members will have an opportunity to dispute the information provided in their Class Notice. To the extent Class Members dispute the number of Workweeks with which they have been credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendants' records, Defendants' records will be presumed determinative. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be final and binding upon the Class Members and the Parties.
- 64. <u>Disputes Regarding Administration of Settlement</u>. Any disputes not resolved concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.
- 65. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the Actions must sign and postmark a written Request for Exclusion to the Settlement Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class Member's name,

address, telephone number, and the last four digits of the Class Member's Social Security number and/or the Employee ID number; (b) the Class Member's signature; (c) contain a statement evidencing the Class Member's intent to request exclusion, opt out, or words to the effect of: "I wish to exclude myself from the class settlement reached in the matter of *Pimentel v. IBH Rome, LLC et al.* I understand that by excluding myself, I will not receive money from the settlement of my individual claims." The date of the postmark on the return mailing envelope receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. In the event the date of the postmark is illegible, the Settlement Administrator shall take the earliest postmark date of other items it receives in the mail that day.

- 66. <u>Defective Submissions</u>. If a Class Member's Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will until the Response Deadline to postmark a revised Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the Settlement Administrator will have no further obligation to give notice of a need to cure. If the revised Request for Exclusion is not postmarked on or before the Response Deadline, it will be deemed untimely.
- Members in the Class Period (rounded to the next whole number) elect not to participate in the Settlement, Defendants may, at their election, rescind the Settlement Agreement and all actions taken in furtherance of it will be thereby null and void. Defendants must meet and confer with Class Counsel prior to exercising this right and must make clear its intent to rescind the Agreement within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of these opt-outs. If Defendants exercise their right to rescind the Agreement, Defendants shall be responsible for all Settlement Administration Costs incurred to the date of rescission.
  - 68. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class

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27 28 Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants Final Approval to the Settlement. Class Members who opt-out of the Settlement shall not be bound by such Judgment or release. The names of Class Members who have opted-out of the settlement shall be disclosed to the Counsel for Plaintiff and Defendants and noted in the proposed Judgment submitted to the Court.

- 69. Objection Procedures. The Notice shall state that Class Members who wish to object to the Settlement may mail to the Settlement Administrator a written statement of objection ("Objection") by the Response Deadline. To object to the Settlement, a Participating Class Member must postmark a valid Objection to the Settlement Administrator on or before the Response Deadline. The Objection must be signed by the Participating Class Member and contain all information required by this Settlement Agreement including (a) the Class Member's full name, address, telephone number, the last four digits of their social security number and/or Employee ID number, (b) the basis for the Participating Class Member's objection; and (c) whether the Participating Class Member intends to appear at the Final Approval Hearing. The postmark date will be deemed the exclusive means for determining that the Objection is timely. Participating Class Members who fail to object in the manner specified above will be foreclosed from making a written objection, but shall still have a right to appear at the Final Approval Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class Members to submit written objections to the Settlement or appeal from the Order and Judgment. Class Counsel will not represent any Participating Class Members with respect to any objections to this Settlement.
- 70. <u>Class Members Who Submit Both a Settlement Objection and Exclusion</u>. If a Class Member submits a timely Objection and timely Request for Exclusion, the Settlement Administrator shall contact the Settlement Class Member to determine whether the Settlement Class Member wishes to participate in the Settlement but interpose an Objection or whether the Class Member wishes to be excluded from the Settlement. In the event the Settlement Administrator cannot reach the Class Member

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to clarify the situation, the Request for Exclusion shall be deemed valid and operative.

- 21. Certification Reports Regarding Individual Settlement Payment Calculations. The Settlement Administrator will provide Defendants' Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted Requests for Exclusion; (b) the number of re-mailed and/or undeliverable Class Notices; and (c) whether any Class Member has submitted a challenge to any information contained in the Class Notice. Additionally, the Settlement Administrator will provide to counsel for all Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested. The Settlement Administrator will provide a declaration to Class Counsel in advance of the hearing on Final Approval of the settlement which Class Counsel shall be responsible for reviewing and approving.
- 72. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to Participating Class Members and PAGA Members will be negotiable for at least one hundred eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his or her settlement check within 180 days of mailing, the Settlement Administrator shall distribute the uncashed funds, subject to Court approval, to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, et. seq. for the benefit of those Participating Class Members and PAGA Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Class Members and PAGA Members, whether or not they all cash their settlement checks. Therefore, Defendants will not be required to pay any interest on such amounts. The Individual Settlement Payments provided to Participating Class Members and to PAGA Members shall prominently state the expiration date or a statement that the settlement check will expire in one hundred eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual Settlement Payment. Expired Individual Settlement Payments will not be reissued, except for good cause and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds will result from the settlement process detailed in this Agreement.

Administration of Taxes by the Settlement Administrator. The Settlement Administrator shall be responsible for processing and mailing payments and associated W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to the Settlement to Plaintiff, Class Counsel, Participating Class Members, the Internal Revenue Service, the California Labor and Workforce Development Agency, California State Treasury, the Unclaimed Property Division of the California State Controller Office, and/or any other appropriate government authorities. The Settlement Administrator will also be responsible for properly calculating and completing all tax reporting, withholdings, and payments to the Internal Revenue Service and/or appropriate tax authorities on a timely basis, as well as forwarding all payroll taxes and penalties to the appropriate government authorities.

a. Withholding and Reporting Requirements. The Settlement Administrator shall be responsible for ensuring that all taxes associated with the Agreement are properly calculated and timely paid to the appropriate tax authorities. To verify the Settlement Administrator's compliance with the foregoing reporting requirements, as soon as administratively practicable, the Settlement Administrator shall furnish Defense Counsel with copies of all forms detailing the payment of taxes (including all 1099 returns) sufficient to prove that such payments were properly remitted. The Settlement Administrator shall provide, if Defendants so choose, a final accounting adequate to demonstrate full compliance with all tax withholding, payment and reporting obligations.

- b. <u>Payroll Taxes</u>. Employer payroll taxes required by law, including but not limited to employer FICA, FUTA, and SUTA contributions, shall not be paid from the Total Settlement Amount. The Settlement Administrator shall calculate all employer payroll taxes owed on the Individual Settlement Amount payments allocated to wages, and will report that total amount to Defendants within fourteen (14) days of the Effective Date. Defendants shall remit to the Settlement Administrator the amount of employer payroll taxes owed in addition to the Total Settlement Amount remittance. The Settlement Administrator shall timely pay the taxes to the appropriate tax authorities.
- c. <u>Tax Liability</u>. Each Class Member shall be responsible for any local, state, or federal taxes that may be assessed or owing with respect to the proceeds from this settlement that Class Members receive. Neither Defendants, Plaintiff, Class Counsel, nor Defense Counsel intend anything

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contained in this Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall anything in this Settlement be relied upon as such. Class Members agree to make no claims against Defendants for any payment or non-payment of taxes or regarding or relating to the reporting of the payment described in this Agreement, if any, to any taxing authorities.

- Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.
- 74. <u>No Prior Assignments</u>. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.
- 75. Release by Participating Class Members, PAGA Members, the LWDA and the State of California. Upon the full funding of the Total Settlement Amount, all Participating Class Members shall be deemed to have fully, finally, and forever released and discharged the Released Parties from any and all Released Claims for the Class Period. This Release shall be binding on

all Participating Class Members. All PAGA Members, the LWDA, and the State of California shall release claims under PAGA for the PAGA Period. All PAGA Members shall release claims arising under PAGA regardless of their decision to participate in the class settlement.

Release of Additional Claims & Rights by Plaintiff. Upon the funding of the Total Settlement Amount, the Plaintiff will agree to the additional following General Release: In consideration of Defendants' promises and agreements as set forth herein, Plaintiff releases the Released Parties from all claims, demands, rights, liabilities, damages, costs, losses, debts, expenses (including attorneys' fees and costs actually incurred) and any causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Party committed or ommitted prior to the execution thereof. Specifically, Plaintiff will expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits afforded of § 1542 of the California Civil Code, or any other provision under federal or state law, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

This release specifically excludes claims for unemployment insurance, state disability, social security, and workers' compensation (with the exception of claims arising pursuant to California Labor Code §§ 132(a) and 4553).

77. Neutral Employment Reference. Defendants agree that they will adopt a neutral reporting policy regarding any future employment references related to Plaintiff. In the event that any potential or future employers of Plaintiff request a reference regarding Defendants' employment of Plaintiff, Defendants shall only provide the Plaintiff's dates of employment and job titles during employment. Defendants shall not refer to the Actions or this Settlement.

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78. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any material term of this Settlement Agreement; or (c) the Settlement does not become final as written and agreed to by the Parties for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, all amounts deposited into the QSF will be returned to Defendants, and the Parties shall be returned to their original respective positions. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning. Pursuant to California Evidence Code § 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. Should the Court fail to approve this settlement for any reason, the Parties agree that they will return to and attend mediation with a mutually agreed mediator in an effort to reach a settlement that may be approved by the Court.

79. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the Settlement, and will include the proposed Class Notice attached as Exhibit A. Defendants agree that they will not oppose Plaintiff's Motion for Preliminary Approval. This is a material term of the settlement and any opposition by Defendants will be grounds for Plaintiff to withdraw from the settlement. Any failure by the Court to fully and completely approve the Agreement as to the Actions, or the entry of any Order by another Court with regard to any of the Actions which has the effect of preventing the full and complete approval of this Settlement Agreement as written and agreed to by the Parties, will result in this Settlement Agreement and the Memorandum of Understanding entered into by the Parties, and all obligations under this Settlement Agreement and the Memorandum of Understanding being nullified and voided.

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- 80. <u>Notice of Settlement to the LWDA</u>. Simultaneously with filing Plaintiff's Motion for Preliminary Approval, Class Counsel shall submit a copy of this Settlement to the LWDA, as required by Labor Code § 2699(1)(2).
- 81. Final Settlement Approval Hearing and Entry of Judgment. Upon completion of the Class Notice process, including the expiration of the deadlines to postmark Requests for Exclusion or Objections to the Settlement Agreement, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the PAGA Penalties to the LWDA; (c) Class Counsel's Attorneys' Fees and Costs; (d) the Class Representative Enhancement Payment; and (e) the Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any failure by the Court to fully and completely approve the Settlement Agreement as to all of the Actions, or the entry of any Order by another Court with regard to any of the Actions which has the effect of modifying material terms of this Agreement or preventing the full and complete approval of the Settlement Agreement as written and agreed to by the Parties, will result in this Agreement and all obligations under this Agreement being null and void. Defendants agree they shall not oppose the granting of the Motion for Final Approval, provided Defendants have not exercised their right to rescind pursuant to the terms of this Agreement.
- 82. <u>Notice of Final Approval to the LWDA</u>. Within ten (10) calendar days of entry of the final approval order and judgment, Class Counsel shall submit a copy of such order to the LWDA, as required by Labor Code § 2699(1)(3).
- 83. <u>Judgment</u>. Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval.
- 84. <u>Exhibits Incorporated by Reference</u>. The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement.
  - 85. Entire Agreement. This Settlement Agreement and any attached Exhibits

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constitute the entirety of the Parties' Settlement. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

- 86. <u>Amendment or Modification</u>. This Settlement Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.
- Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.
- 88. <u>Binding on Successors and Assigns</u>. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.
- 89. <u>California Law Governs</u>. All terms of this Settlement Agreement hereto will be governed by and interpreted according to the laws of the State of California.
- 90. <u>Execution and Counterparts</u>. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.
- 91. <u>Acknowledgement that the Settlement is Fair and Reasonable</u>. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial

litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

- 92. <u>Invalidity of Any Provision</u>. Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.
- 93. <u>Captions</u>. The captions and section numbers in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Agreement.
- 94. <u>Waiver</u>. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.
- 95. <u>Mutual Preparation</u>. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.
- 96. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.
- 97. <u>All Terms Subject to Final Court Approval</u>. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.
  - 98. Cooperation and Execution of Necessary Documents. The Parties agree to

cooperate to promote participation in the Settlement, and in seeking court approval of the Settlement. The Parties and their counsel agree not to take any action to encourage any Class Members to opt out of and/or object to the Settlement. Defendants agree not to obtain any individual settlement agreements, waivers, and/or Pick Up Stix agreements from any Class Member prior to the funding of the Total Settlement Amount concerning claims released via this Agreement and that the Parties will work in good faith to reach an agreement approved by the Court.

- 99. <u>Enforcement and Continuing Jurisdiction of the Court.</u> To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure § 664.6. After the Court has granted Final Approval of the Settlement and entered Judgment, the Court will have continuing jurisdiction for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-Judgment matters as may be appropriate pursuant to California Rules of Court, Rule 3.769(h).
- 100. <u>Voluntary Agreement</u>. The Parties acknowledge that they have entered into this Settlement Agreement voluntarily, on the basis of their own judgment and without coercion, duress, or undue influence of any Party, and not in reliance on any promises, representations, or statements made by the other Parties other than those contained in this Settlement Agreement. Each of the Parties hereto expressly waives any right she/it might ever have to claim that this Settlement Agreement was in any way induced by fraud.
- 101. Confidentiality. The Parties and their counsel agree to keep the terms of the Settlement confidential until the filing of Plaintiff's Motion for Preliminary Approval. Plaintiff, Class Counsel, Defendants, and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the fact, amount or terms of the Settlement Agreement. Notwithstanding anything in this provision, Plaintiff's Counsel can discuss the Settlement with Plaintiff and with Class Members and can include it in all necessary Court and ancillary documents supporting the resolution of the Actions. Nothing in this paragraph is intended to interfere with Class Counsel's

1	duties and obligations to faithfully discharge their duties as Class Counsel, including but no		
2	limited to, communicating with Class Members regarding the Settlement.		
3	102. <u>Binding Agreement</u> . The Parties warrant that they understand and have ful		
4	authority to enter into this Settlement, and further intend that this Settlement Agreement will be		
5	fully enforceable and binding on all Parties, and agree that it will be admissible and subject to		
6	disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality		
7	provisions that otherwise might apply under federal or state law.		
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L1	APPROVED AS TO FORM AND CONTENT:		
L2	Dated:05/06/2022 23:09 UTC	PLAINTIFF	
L3	Dated.	By: Beatriz Pimentel	
L 4		By: Deatriz Fimentel  Beatriz G. Pimentel	
L5			
L6			
L7	Dated:	DEFENDANT IBH ROME, LLC	
L8		By:	
L9		Name: Rohan Talwar	
20		Title:	
21	Dated:	DEFENDANT IBH HOSPITALITY, INC.	
22	Datcu.		
23		By: Name: Rohan Talwar	
24		Title:	
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1	duties and obligations to faithfully discharge their duties as Class Counsel, including but no		
2	limited to, communicating with Class Members regarding the Settlement.		
3	102. <u>Binding Agreement</u> . The Parties warrant that they understand and have full		
4	authority to enter into this Settlement, and further intend that this Settlement Agreement will be		
5	fully enforceable and binding on all Parties, and agree that it will be admissible and subject to		
6	disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality		
7	provisions that otherwise might apply under federal or state law.		
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10			
11	APPROVED AS TO FORM AND CONTE	ENT:	
12	Dated:	PLAINTIFF	
13	Buteu.		
14		By: Beatriz G. Pimentel	
15			
16			
17	Dated: <u>5-23-22</u>	DEFENDANT IBH ROME, LLC	
18		By:	
19		Name: Bruce Childress Title: Director of Operations	
20		Title. Director of Operations	
21	Dated: 5-23-22	DEFENDANT IB HOSPIŢALITY, INC.	
22		By: 3	
23		Name: Bruce Childress	
24		Title: Director of Operations	
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**EXHIBIT A** 

## NOTICE OF CLASS ACTION SETTLEMENT

Beatriz G. Pimentel v. IBH Rome, LLC et al.

#### PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Notice is designed to advise you of your rights and options with respect to the settlement.

By order of the Superior Court of California for the County of Los Angeles (the "Court" or "Los Angeles County Superior Court"), you are notified that: preliminary approval of a class action settlement reached between Beatriz G. Pimentel ("Plaintiff") and IBH Rome, LLC and IB Hospitality, Inc. ("Defendants," collectively "the Parties"), was granted on [Preliminary Approval Date], in the case entitled *Pimentel v. IBH Rome, LLC et al.*, Los Angeles County Superior Court Case Nos. 20STCV31884 and 21STCV01656 ("the Actions"), which may affect your legal rights.

You need not take any action to receive a settlement payment, but you have the opportunity to request exclusion from the settlement (in which case you will not receive payment under the settlement), object to the settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

## I. <u>IMPORTANT DEFINITIONS</u>

"Class" means all hourly, non-exempt employees employed by Defendants in the State of California at any time from January 12, 2017, through [Preliminary Approval Date]

"Class Member" means a member of the Class.

"Class Period" means the time period from January 12, 2017, through [Preliminary Approval Date].

#### II. BACKGROUND OF THE ACTIONS

On August 21, 2020, Plaintiff, a former employee of Defendants, filed a representative action under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA") in the Los Angeles Superior Court, Case No. 20STCV31884. On January 12, 2021, Plaintiff commenced a class action suit against Defendants by filing her Class Action Complaint for Damages in Los Angeles County Superior Court, Case No. 21STCV01656.

Plaintiff alleged that Defendants violated the California Labor Code and California Business and Professions Code with respect to herself and the Class Members by, *inter alia*, failing to properly pay for all hours worked, including minimum and overtime wages, failing to provide legally-compliant meal and rest periods or premium pay in lieu thereof, failing to provide accurate wage statements, failing to provide timely wages during employment, failing to keep requisite payroll records, and waiting time penalties, and engaging in unfair business practices. The settlement also seeks to recover penalties pursuant to PAGA.

Collectively, Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, restitution, declaratory relief, penalties, interest, and attorneys' fees and costs.

The Court has made no ruling on the merits of Plaintiff's claims. There was no trial.

Defendants have strongly denied, and continue to deny, Plaintiff's factual and legal allegations. Defendants believe this lawsuit has no merit, and deny they engaged in any alleged unlawful conduct described by Plaintiff. Defendants contend that, at all times, they have fully complied with the California Labor Code and all applicable laws during the Class Period.

Plaintiff and Defendants participated in a full-day mediation session with a respected wage and hour class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action

and PAGA Settlement ("Settlement" or "Settlement Agreement"). The Court has not decided in favor of Plaintiff or Defendants. Instead, the Parties have agreed to settle the lawsuit in light of the risks of further litigation.

On [Preliminary Approval Date], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Settlement Administrators as the administrator of the settlement ("Settlement Administrator"), Plaintiff Beatriz G. Pimentel as representative of the Class ("Class Representative"), and the following law firm as counsel for the Class ("Class Counsel"):

#### PAYNE NGUYEN, LLP

Cody Payne, Esq. Kim Nguyen, Esq. 4640 Admiralty Way, Suite 500 Marina del Rey, California 90292 Telephone: (310) 360-9882

## III. SUMMARY OF THE PROPOSED SETTLEMENT

#### A. Settlement Formula

The Total Settlement Amount Defendants shall pay to settle the claims in the Actions is Two Hundred and Thirty-Five Thousand Dollars (\$235,000.00) (the "Total Settlement Amount"). The portion of the Total Settlement Amount that is available for payment to Class Members who do not timely and validly request exclusion from the settlement ("Participating Class Members") is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Total Settlement Amount less the following payments which are subject to Court approval: (1) attorneys' fees in the amount up to \$82,250.00 and reimbursement of litigation costs and expenses in the amount up to \$15,000.00 to Class Counsel ("Class Counsel's Fees and Costs"); (2) enhancement payment to Plaintiff in the amount up to \$7,500.00 ("Class Representative Enhancement Payment"); (3) fees and expenses of administration of the Settlement to the Settlement Administrator in an amount not to exceed \$15,000.00 ("Settlement Administration Costs"); and (4) PAGA penalties in the amount of \$10,000.00 for the settlement of claims arising under PAGA. Seventy-Five percent (75%) of this amount, (\$7,500.00) shall be paid to the Labor Workforce Development Agency ("LWDA"). The remaining twenty-five percent (25%) (\$2,500.00) will be distributed to PAGA Members (all current and former non-exempt employees of Defendants employed by Defendants in the State of California at any time during the "PAGA Period" from November 22, 2018 through the date of final approval of the Settlement by the Court) for the release of their claims arising under PAGA ("PAGA Penalties").

The amount you are eligible to receive from the settlement, your "Individual Settlement Payment" will be determined on a *pro rata* basis, based on the number of weeks ("Workweeks") you worked in California as an hourly-paid, non-exempt employee employed by Defendants during the Class Period. Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Penalties.

Your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) penalties, and forty percent (40%) interest. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid by Defendants separately from and in addition to the Total Settlement Amount. The penalties and interest portions of each Class Member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

If the Court grants final approval of the settlement, Individual Settlement Payments will be mailed to Participating Class Members at the address that is on file with the Settlement Administrator. If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.

#### B. Your Workweeks Based on Defendants' Records

According to Defendants' payroll records:

You worked XXX workweeks during the Class Period. Your Individual Settlement Payment is \$XXX.XX. The amount of the payment may change depending on the number of timely and valid requests for exclusions submitted in the Settlement, if any.

This amount was determined based on Defendants' record of your employment during the period from January 12, 2017, through [Preliminary Approval Date] and is presumed correct. If you dispute the accuracy of Defendants' records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [Response Deadline]. All disputes regarding your workweeks will be resolved and decided by the Parties or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator.

## C. Your Estimated Individual Settlement Payment

As explained above, your estimated Individual Settlement Payment is based on the number of Workweeks credited to you.

The Individual Settlement Payment is subject to reduction for employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment and will only be distributed if the Court approves the settlement and after the settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

## **D.** Released Claims

Upon the funding of the Total Settlement Amount, in exchange for the consideration set forth by the Settlement, Participating Class Members (including Plaintiff) will fully, finally, and forever release and discharge the "Released Parties" from the "Released Claims" that arose during the Class Period.

The "Released Parties" include Defendants IBH Rome, LLC and IB Hospitality, Inc., and any of their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The "Released Claims" include all causes of action contained in the operative complaints in the Actions, including, without limitation: (1) Failure to pay overtime; (2) Failure to provide meal periods; (3) Failure to authorize and permit rest breaks; (4) Failure to pay minimum wages; (5) Failure to timely pay wages owed during employment; (6) Failure to timely pay final wages at termination; (7) Failure to provide accurate itemized wage statements; (8) Failure to maintain accurate records; (9) Violation of California Business and Professional Code § 17200, et seq.; and (10) Private Attorney General Act Labor Code § 2698, et seq., and any additional wage and hour claims that could have been brought based on the facts alleged in the operative complaints in the Actions, through [Preliminary Approval Date]. This release includes any and all claims of any kind that arise from or could have been asserted based on the facts alleged in the operative complaints in the Actions.

This release of these claims pertains to the Class Period from January 12, 2017, through [Preliminary Approval Date].

All PAGA Members will be deemed to have fully, finally and forever released and discharged any and all Released Claims arising under PAGA for the PAGA Period with respect to all of the Released Parties irrespective of whether a Class Member submits a request for exclusion.

## E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of \$82,250.00 and reimbursement of litigation costs and expenses in an amount not to exceed \$15,000.00 to be paid from the Total Settlement Amount, subject to approval by the Court. Class Counsel has been prosecuting the Actions on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

#### F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of \$7,500.00 as an Enhancement Payment in recognition of her services in connection with the Actions. The Enhancement Payment will be paid from the Total Settlement Amount subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to her Individual Settlement Payment that she is entitled to under the settlement.

#### G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Fifteen Thousand Dollars (\$15,000.00) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the settlement, processing Requests for Exclusion, Workweeks Disputes, and objections, calculating Individual Settlement Payments, and distributing payments and tax forms under the settlement, and shall be paid from the Total Settlement Amount subject to approval by the Court.

## IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

#### A. Participate in the Settlement

If you want to receive money from the settlement, you do not have to do anything. You will automatically be issued your Individual Settlement Payment unless you decide to exclude yourself from the settlement. If you do nothing, you will receive your share of the Settlement, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or Released Parties about the Released Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there: <a href="https://www.sco.ca.gov/upd\_msg.html">https://www.sco.ca.gov/upd\_msg.html</a>.

## **B.** Request Exclusion from the Settlement

If you do not wish to participate in the settlement, you may seek exclusion from the settlement by submitting a written request to be excluded from the settlement ("Request for Exclusion") to the Settlement Administrator at the following address:

# [Settlement Administrator] [Address]

A request for exclusion must: (a) contain your full name, address, telephone number, the last 4 digits of Social Security Number or Employee ID Number, and signature; (b) indicate whether you intend to appear at the Final Approval Hearing; (c) contain the case name of the Actions (*Pimentel v. IBH Rome, LLC et al.*); and (d) contain a statement indicating that you intend to be excluded from the settlement similar to the following:

"I wish to exclude myself from the class settlement reached in the matter of *Pimentel v. IBH Rome, LLC et al.* I understand that by excluding myself, I will not receive money from the settlement of my individual claims." You may also include all legal grounds or bases for your objection.

Your request for exclusion must be mailed to the Settlement Administrator at the address listed above and postmarked **no later than [Response Deadline].** You cannot opt-out by phone.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive any payment from the settlement, will not be bound by the settlement (and the release of Released Claims stated in Section III.D above), and will not have any right to object to, appeal, or comment on the settlement. Any Class Members who do not submit a timely and valid Request for Exclusion will be deemed Participating Class Members and will be bound by all terms of the settlement, including those pertaining to the release of Released Claims stated in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

# C. Object to the Settlement

You can object to the terms of the settlement as long as you have not submitted a Request for Exclusion.

To object, you must do so by way of a written objection that: (a) contains your full name, address, telephone number, the last 4 digits of your Social Security Number or Employee ID Number, and signature; and (b) contains the specific reason (including any legal grounds) for the objection to the Settlement.

The objection must be mailed to the Settlement Administrator and postmarked **no later than [Response Deadline]**.

If you do not submit a request for exclusion you may still attend the Final Approval Hearing and make an objection at that

time, either in person or through your own attorney, even if you do not submit a written objection.

## V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 12 of the Los Angeles County Superior Court located at 312 North Spring Street, Los Angeles, California 90012, on [Final Approval Hearing Date], at [Time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the attorneys' fees and costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator should be awarded.

The hearing may be continued without further notice to the Class Members. You are not required to appear at the Final Approval Hearing, although you may appear if you wish to do so. You may attend in person, but you may also attend remotely by audio or video if you wish. Remote appearances may be scheduled through "LA Court Connect" at <a href="https://www.lacourt.org/lacc/">https://www.lacourt.org/lacc/</a>. If you wish to appear in person, note that the Court has a number of safety procedures in place due to the ongoing pandemic. For more information, please visit the Court's website at <a href="https://www.lacourt.org/newsmedia/notices/publicnotices">https://www.lacourt.org/newsmedia/notices/publicnotices</a> or its Twitter page @LASuperiorCourt.

In addition, hearing dates are posted on the Internet via the Case Access page for the California Superior Court for the County of Los Angeles (<a href="http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil">http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil</a>) and entering the Case No. 20STCV31884.

You can also learn if the settlement was approved at the Final Approval Hearing by obtaining the order from the Court's website or viewing the Judgment which shall be posted online by the Settlement Administrator at \_\_\_\_\_\_. The notice of the final judgment shall be available at this website for a period of sixty (60) days.

# VI. <u>ADDITIONAL INFORMATION</u>

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court and have been posted on the Settlement Administrator's website at \_\_\_\_\_\_.

You may view the Settlement Agreement and other court records in the Actions at the Los Angeles County Superior Court at 312 North Spring Street, Los Angeles, California 90012, during business hours. Note that you will be subject to the Court's safety procedures in place due to the ongoing pandemic, as described in Section V of this Notice.

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

IF YOU HAVE ANY QUESTIONS, CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TELEPHONE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.