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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

MUSHARROF HUSSAIN, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

WILSHIRE HM, LLC, a Delaware limited
liability company; SANTA MONICA PROPER
JV, LLC, a Delaware limited liability company;
PROPER HOSPITALITY, LLC, a Delaware
limited liability company; and DOES 1 through
10, inclusive,

Defendants.

Case No.: 20STCV37515

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE**

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Musharrof Hussain (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendants Wilshire HM, LLC, Proper Hospitality, LLC, and Santa Monica Proper JV, LLC (“Defendants”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Hussain v. Wilshire HM, LCC*, No. 20STCV37515 (Los Angeles County Superior Court).
2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or Two Hundred Eight Thousand Three Hundred Thirty-Three Dollars (\$208,333). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Twenty-Five Thousand Dollars (\$25,000), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.
3. “Class Counsel” means Capstone Law APC.
4. “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 twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member’s full name; most recent mailing address;

1 Social Security number; dates of employment; the respective number of Workweeks that each Class
2 Member worked during the Class Period and PAGA Period; and any other relevant information needed
3 to calculate settlement payments.

4 5. "Class Member(s)" or "Settlement Class" means all persons who were employed by
5 Defendants at the Santa Monica Proper Hotel in non-exempt, hourly positions at any time during the
6 Class Period.

7 6. "Class Period" means the period from September 30, 2016 through the earlier of: (a)
8 December 3, 2022 or (b) the date of Preliminary Approval.

9 7. "Class Representative Enhancement Payment" means the amount to be paid to Plaintiff
10 in recognition of his effort and work in prosecuting the Action on behalf of Class Members, and for his
11 general release of claims. Subject to the Court granting final approval of this Settlement Agreement and
12 subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class
13 Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000).

14 8. "Court" means the Los Angeles County Superior Court.

15 9. "Defendants" means Defendants Wilshire HM, LLC, Proper Hospitality, LLC, and
16 Santa Monica Proper JV, LLC.

17 10. "Effective Date" means the later of: (a) if no timely objections are filed, or are
18 withdrawn prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an
19 objection to the Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of
20 Final Approval, provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an
21 objector, then the Effective Date will be the date of final resolution of that appeal (including any requests
22 for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

23 11. "Final Approval" means the date on which the Court enters an order granting final
24 approval of the Settlement Agreement.

25 12. "Gross Settlement Amount" means the Gross Settlement Amount of Six Hundred
26 Twenty-Five Thousand Dollars (\$625,000), to be paid by Defendants in full satisfaction of all Released
27 Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments,
28 Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement

1 Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by
2 Plaintiff and Defendants based on the aggregation of the agreed-upon settlement value of individual
3 claims. In no event will Defendants be liable for more than the Gross Settlement Amount except as
4 otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to
5 Defendants. Defendants will be separately responsible for any employer payroll taxes required by law,
6 including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross
7 Settlement Amount.

8 13. "Individual Settlement Payment" means each Participating Class Member's and PAGA
9 Member's respective shares of the Net Settlement Fund and PAGA Fund.

10 14. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining
11 after deducting the Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the
12 PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be
13 distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to
14 Defendants.

15 15. "Notice of Objection" means a Class Member's valid and timely written objection to the
16 Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full
17 name, signature, address, and telephone number, (b) a written statement of all grounds for the objection
18 accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other
19 documents upon which the objection is based; and (d) a statement whether the objector intends to appear
20 at the final fairness hearing.

21 16. "Notice Packet" means the Notice of Class Action Settlement, substantially in the form
22 attached as Exhibit A.

23 17. "PAGA Members" means all persons who were employed by Defendants at the Santa
24 Monica Proper Hotel in non-exempt, hourly positions at any time during the PAGA Period.

25 18. "PAGA Period" means the period from October 12, 2019 through the earlier of: (a)
26 December 3, 2022 or (b) the date of Preliminary Approval.

27 19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to
28 the Labor and Workforce Development Agency ("LWDA") and PAGA Members in connection with

Plaintiff's claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA") ("PAGA Settlement"). The Parties have agreed that Twenty Thousand Dollars (\$20,000) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Seventy-Five Percent (75%), or Fifteen Thousand Dollars (\$15,000), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency ("Labor and Workforce Development Agency Payment"), and Twenty-Five Percent (25%), or Five Thousand Dollars (\$5,000) ("PAGA Fund"), of the PAGA Settlement will be disbursed to PAGA Members, and regardless whether they request to be excluded from the Settlement Class.

20. "Parties" means Plaintiff and Defendants collectively.

21. "Participating Class Members" means all Class Members who do not submit timely and valid Requests for Exclusion.

22. "Plaintiff" means Plaintiff Musharrof Hussain.

23. "Preliminary Approval" means the date on which the Court enters an order granting preliminary approval of the Settlement Agreement.

24. "Released Class Claims" means all claims, rights, demands, liabilities, and causes of action that were alleged, or reasonably could have been alleged, reasonably arising from, or related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest break violations; (c) all claims for unpaid minimum wages; (d) all claims for the failure to provide one day of rest in seven; (e) all claims for the failure to reimburse for necessary business expenses; (f) all claims for the failure to timely pay wages upon termination based on the preceding claims; (g) all claims for the failure to timely pay wages during employment based on the preceding claims; (h) all claims for wage statement violations based on the preceding claims; and (i) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*

25. "Released PAGA Claims" means all claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged in Plaintiff's LWDA letter during the PAGA Period.

26. "Released Parties" means Defendants, their past or present officers, directors,

1 shareholders, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and
2 reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and
3 attorneys, if any.

4 27. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a
5 request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the
6 name, address, telephone number and last four digits of the Social Security Number of the Class
7 Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement
8 Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement;
9 and (e) be faxed or postmarked on or before the Response Deadline.

10 28. "Response Deadline" means the deadline by which Class Members must postmark or
11 fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the
12 calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement
13 Administrator. The Response Deadline will be sixty (60) calendar days from the initial mailing of the
14 Notice Packet by the Settlement Administrator, unless the sixtieth (60) calendar day falls on a Sunday or
15 State holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
16 Postal Service is open.

17 29. "Santa Monica Proper Hotel" means the hotel located at 700 Wilshire Boulevard, Santa
18 Monica, California 90401.

19 30. "Settlement Administration Costs" means the costs payable from the Gross Settlement
20 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
21 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
22 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
23 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
24 any such costs in excess of the amount represented by the Settlement Administrator as being the
25 maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of
26 approximately 734 Class Members, the Settlement Administration Costs are currently estimated to be
27 Twelve Thousand Two Hundred Fifty Dollars (\$12,250).

28 31. "Settlement Administrator" means CPT Group, Inc., or any other third-party class action

1 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
2 administering this Settlement. The Parties each represent that they do not have any financial interest in
3 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
4 could create a conflict of interest.

5 32. “Workweeks” means the number of days of employment for each Class Member during
6 the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to
7 the nearest whole number. All Class Members will be credited with at least one Workweek during the
8 Class Period, and all PAGA Members will be credited with at least one Workweek during the PAGA
9 Period.

10 TERMS OF AGREEMENT

11 The Plaintiff, on behalf of himself and the Settlement Class, and Defendants agree as follows:

12 33. Second Amended Complaint. As a condition of settlement, Plaintiff will file a Second
13 Amended Complaint (“SAC”) to conform the pleadings with the scope of the Released Class Claims and
14 Released PAGA Claims. Defendants will not be required to file an answer or other responsive pleading
15 to the SAC. If, for any reason, the Court does not approve of the Settlement, or if the Settlement does not
16 become final for any reason, then the SAC will be deemed withdrawn and the First Amended Complaint
17 will again become the operative complaint without prejudice to Plaintiff’s right to seek leave to file
18 another amended complaint and without prejudice to Defendants’ rights to object and/or challenge an
19 amended pleading. Defendants do not impliedly or expressly waive any arguments or defenses to the
20 SAC.

21 34. Funding of the Gross Settlement Amount. Defendants will make a one-time deposit of
22 the Gross Settlement Amount of Six Hundred Twenty-Five Thousand Dollars (\$625,000) into a
23 Qualified Settlement Account to be established by the Settlement Administrator. Defendants will pay the
24 employer’s share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will
25 be used for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency
26 Payment; (c) the Class Representative Enhancement Payment; (d) Attorneys’ Fees and Costs; and (e)
27 Settlement Administration Costs. Defendants will deposit the Gross Settlement Amount and the
28 employer’s share of payroll taxes within fifteen (15) calendar days after the Effective Date (“Funding

1 Date”).

2 35. Attorneys’ Fees and Costs. Defendants agree not to oppose or impede any application or
3 motion by Class Counsel for Attorneys’ Fees and Costs of not more than Two Hundred Eight Thousand
4 Three Hundred Thirty-Three Dollars (\$208,333), plus the reimbursement of all out-of-pocket costs and
5 expenses associated with Class Counsel’s litigation and settlement of the Action (including
6 expert/consultant fees, investigations costs, etc.), not to exceed Twenty-Five Thousand Dollars
7 (\$25,000), both of which will be paid from the Gross Settlement Amount.

8 36. Class Representative Enhancement Payment. In exchange for a general release, and in
9 recognition of his effort and work in prosecuting the Action on behalf of Class Members, Defendants
10 agree not to oppose or impede any application or motion for a Class Representative Enhancement
11 Payment of up to Ten Thousand Dollars (\$10,000). The Class Representative Enhancement Payment
12 will be paid from the Gross Settlement Amount and will be in addition to Plaintiff’s Individual
13 Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to
14 pay any and all applicable taxes on the Class Representative Enhancement Payment. Plaintiff
15 understands and agrees that this Settlement Agreement shall remain in full force and effect even if the
16 full amount of Class Representative Enhancement Payment sought by Plaintiff is not ultimately awarded
17 by the Court.

18 37. Settlement Administration Costs. The Settlement Administrator will be paid for the
19 reasonable costs of administration of the Settlement and distribution of payments from the Gross
20 Settlement Amount, which is currently estimated to be Twelve Thousand Two Hundred Fifty Dollars
21 (\$12,250). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*,
22 the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS
23 Forms, distributing Notice Packets, calculating and distributing the Gross Settlement Amount, and
24 providing necessary reports and declarations.

25 38. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
26 of Twenty Thousand Dollars (\$20,000) from the Gross Settlement Amount will be designated for
27 satisfaction of Plaintiff’s PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Fifteen
28 Thousand Dollars (\$15,000), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or

Five Thousand Dollars (\$5,000), will be paid to PAGA Members in proportion to the number of Workweeks worked during the PAGA Period.

39. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA Member has the right to object to the PAGA Settlement Amount.

40. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendants.

41. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendants.

42. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of Individual Settlement Payments will be made as follows:

42(a) Payments from the Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth

herein, including employee-side tax withholdings or deductions. The entire Net Settlement Fund will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

42(b) Payments from the PAGA Fund. Defendants will calculate the total number of Workweeks worked by each PAGA Member during the PAGA Period and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated "Individual Settlement Payment," the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the "PAGA Workweek Value." Each PAGA Member's "Individual Settlement Payment" will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value. The entire PAGA Fund will be disbursed to all PAGA Members.

43. 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.

44. Administration Process. 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

1 administration of the Settlement.

2 45. Delivery of the Class List. Within twenty (20) calendar days of Preliminary Approval,
3 Defendants will provide the Class List to the Settlement Administrator. To protect Class Members'
4 privacy rights, the Settlement Administrator must maintain the Class List in confidence, use the Class
5 List only for purposes of this Settlement and for no other purpose, and restrict access to the Class List to
6 Settlement Administrator employees who need access to the Class List to effect and perform under this
7 Settlement Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they
8 discover that the Class List omitted class member identifying information and to provide a corrected or
9 updated Class List as soon as reasonably feasible.

10 46. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class
11 List from Defendants, the Settlement Administrator will mail a Notice Packet to all Class Members via
12 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class
13 List.

14 47. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
15 Administrator will perform a search based on the National Change of Address Database for information
16 to update and correct for any known or identifiable address changes. Any Notice Packets returned to the
17 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly
18 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
19 Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is
20 provided, the Settlement Administrator will promptly attempt to determine the correct address using a
21 skip-trace, or other search using the name, address and/or Social Security number of the Class Member
22 involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed
23 Notice Packet, whether by skip-trace or by request, will have either (a) an additional fifteen (15) calendar
24 days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an
25 objection to the Settlement.

26 48. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet
27 will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's
28 principal terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of

1 Workweeks each respective Class Member and PAGA Member worked for Defendants during the Class
2 Period and PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual
3 Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which
4 comprise the Class Period and PAGA Period; (g) instructions on how to submit Requests for Exclusion
5 or Notices of Objection; (h) the deadlines by which the Class Member must postmark or fax Request for
6 Exclusions, or postmark Notices of Objection to the Settlement; and (i) the claims to be released.

7 49. Disputed Information on Notice Packets. Class Members will have an opportunity to
8 dispute the information provided in their Notice Packets. To the extent Class Members dispute their
9 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
10 Settlement Administrator showing that such information is inaccurate. Defendants' records will be
11 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
12 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline,
13 and will be decided within ten (10) business days after the Response Deadline.

14 50. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
15 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
16 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
17 receiving the defective submission to advise the Class Member that his or her submission is defective
18 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have
19 until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter,
20 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for
21 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

22 51. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
23 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
24 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
25 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
26 for Exclusion has been timely submitted.

27 52. Escalator. If the number of Workweeks covered by the Settlement is greater than
28 Twenty-Six Thousand Two Hundred Sixty-One (26,261) plus Ten Percent (10%), or Twenty-Eight

1 Thousand Eight Hundred Eighty-Seven (28,887) total Workweeks, then Defendants will proportionally
2 increase the Gross Settlement Amount according to the following formula: Proportionally Increased
3 Gross Settlement Amount = Total Number of Workweeks ÷ 26,261 × \$625,000.

4 53. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
5 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
6 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class
7 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
8 Settlement.

9 54. Releases by Participating Class Members. Upon the Funding Date, and except as to such
10 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
11 together and individually, on their behalf and on behalf of their respective heirs, executors,
12 administrators, agents, successors, assigns, representatives, and attorneys, shall fully and forever release
13 and discharge all of the Released Parties, or any of them, from each of the Released Class Claims arising
14 during the Class Period.

15 55. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or
16 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
17 on their behalf and on behalf of their respective heirs, executors, administrators, agents, successors,
18 assigns, representatives, and attorneys, shall fully and forever release and discharge all of the Released
19 Parties, or any of them, from each of the Released PAGA Claims during the PAGA Period.

20 56. Defendants' Right to Rescind. Defendants will have, in their sole discretion, the right to
21 void and withdraw from the Settlement if, at any time prior to Final Approval, Ten Percent (10%) or
22 more of Class Members opt out of the settlement. Defendants must exercise this right of rescission in
23 writing to Class Counsel within fourteen (14) calendar days after the Response Deadline. If the option to
24 rescind is exercised, then Defendants will be solely responsible for all Settlement Administration Costs
25 incurred to the date of rescission.

26 57. Objection Procedures. To object to the Settlement Agreement, a Class Member may fax,
27 email, or mail a valid Notice of Objection to the Settlement Administrator on or before the Response
28 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by

1 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be
2 deemed to have waived all objections to the Settlement and will be foreclosed from making any
3 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the
4 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written
5 objections to the Settlement Agreement or appeal from the final approval order and judgment. Class
6 Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a
7 Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for
8 Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the
9 Class Member shall not participate in or be bound by the Settlement.

10 58. Certification Reports Regarding Individual Settlement Payment Calculations. The
11 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that
12 certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to
13 the Settlement, and whether any Class Member has submitted a challenge to any information contained
14 in their Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties
15 any updated reports regarding the administration of the Settlement Agreement as needed or requested.

16 59. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days
17 of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class
18 Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and
19 (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved
20 services performed in connection with the Settlement.

21 60. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment
22 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for
23 more than one hundred and eighty (180) calendar days after issuance will be tendered to the State
24 Controller's Office, Unclaimed Property Division.

25 61. Certification of Completion. Upon completion of administration of the Settlement, the
26 Settlement Administrator will provide a written declaration under oath to certify such completion to the
27 Court and counsel for all Parties.

28 62. Treatment of Individual Settlement Payments. All Individual Settlement Payments will

1 be allocated as follows: (a) Twenty-Five Percent (25%) of each Individual Settlement Payment will be
2 allocated as wages for which IRS Forms W-2 will be issued; and (b) Seventy-Five (75%) will be
3 allocated as non-wages for which IRS Forms 1099-MISC will be issued.

4 63. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
5 will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class
6 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
7 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
8 and penalties to the appropriate government authorities.

9 64. Tax Liability. Defendants make no representation as to the tax treatment or legal effect
10 of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on
11 any statement, representation, or calculation by Defendants or by the Settlement Administrator in this
12 regard.

13 65. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
14 OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
15 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
16 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
17 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
18 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
19 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
20 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
21 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
22 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
23 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
24 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
25 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
26 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
27 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
28 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE

1 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
2 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
3 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER
4 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
5 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
6 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
7 AGREEMENT.

8 66. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
9 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
10 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
11 action or right herein released and discharged.

12 67. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally
13 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other
14 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
15 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
16 likewise be treated as void from the beginning.

17 68. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
18 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
19 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary
20 approval of the proposed Settlement Agreement, (c) setting a date for a final fairness hearing. The
21 Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as
22 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this
23 Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed
24 Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting
25 all documents necessary to obtain preliminary approval.

26 69. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
27 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
28 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the

1 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)
2 the Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and
3 Workforce Development Agency Payment; (e) all Settlement Administration Costs. The final fairness
4 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
5 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also
6 be responsible for drafting the attorneys' fees and costs application to be heard at the final approval
7 hearing.

8 70. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
9 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
10 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
11 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement
12 administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as
13 set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement
14 Administrator's website.

15 71. Release by Plaintiff. Upon the Funding Date, in addition to the claims being released by
16 all Participating Class Members, Plaintiff will release and forever discharge the Released Parties, to the
17 fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not
18 asserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this
19 Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the
20 California Civil Code or similar provisions of other applicable law may apply, Plaintiff expressly waives
21 any and all rights and benefits conferred upon him by the provisions of Section 1542 of the California
22 Civil Code or similar provisions of applicable law which are as follows:

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

72. Exhibits Incorporated by Reference. The terms of this Settlement Agreement 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 Settlement Agreement are an integral part of the Settlement.

73. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

74. Amendment or Modification. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved by the Court.

75. 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 effect 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.

76. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

77. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

78. Execution and Counterparts. 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

1 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
2 copies of the signature page, will be deemed to be one and the same instrument.

3 79. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
4 Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this
5 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
6 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
7 by competent counsel and that they have had an opportunity to consult with their counsel regarding the
8 fairness and reasonableness of this Settlement.

9 80. Invalidity of Any Provision. Before declaring any provision of this Settlement
10 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
11 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
12 valid and enforceable.

13 81. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
14 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may
15 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,
16 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

17 82. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to
18 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
19 approved, the stipulation to certification will be void. The Parties further agree that certification for
20 purposes of the Settlement is not an admission that class action certification is proper under the standards
21 applied to contested certification motions and that this Settlement Agreement will not be admissible in
22 this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendants
23 are liable to Plaintiff or any Class Member, other than according to the Settlement's terms. If, for any
24 reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants
25 reserve the right to contest certification of any class for any reasons, and Defendants reserve all available
26 defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any
27 grounds available and to contest Defendants' defenses.

28 83. Non-Admission of Liability. This Settlement Agreement represents a compromise and

1 settlement of highly disputed claims. Nothing in this Settlement Agreement is intended or should be
2 construed as an admission by Defendants that any of the allegations in the Operative Complaint have
3 merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed
4 as an admission by Plaintiff that Defendants' defenses in the Action have merit. In entering into this
5 Settlement, Defendants do not admit, and specifically deny, that they violated any federal, state, or local
6 law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable
7 laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in
8 any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their
9 employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the
10 negotiations connected with it, is intended to be or should be construed as an admission or concession by
11 Defendants of any such violations or failures to comply with any applicable law. Except as necessary in
12 a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and
13 provisions will not be offered or received as evidence in any action or proceeding to establish any
14 liability or admission on the part of Defendants or to establish the existence of any condition constituting
15 a violation of, or a non-compliance with, federal, state, local or other applicable law.

16 84. No Public Comment: The Parties and their counsel agree that they will not issue any
17 press releases, initiate any contact with the press, respond to any press inquiry, or have any
18 communication with the press about the fact, amount or terms of the Settlement.

19 85. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and
20 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed,
21 they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person
22 to disclose, disseminate or publicize, any of the terms of the Settlement Agreement directly or indirectly,
23 specifically or generally, to any person, corporation, association, government agency, or other entity
24 except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this
25 Settlement Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report
26 income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response
27 to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to
28 immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such

1 information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly
2 or indirectly, initiate any conversation or other communication, before the filing of the Motion for
3 Preliminary Approval, any with third party regarding this Settlement Agreement or the matters giving
4 rise to this Settlement Agreement except to respond only that “the matter was resolved,” or words to that
5 effect. This paragraph does not restrict Class Counsel’s communications with Class Members in
6 accordance with Class Counsel’s ethical obligations owed to Class Members.

7 86. The Parties Will Not Encourage Class Members to Opt Out or Object. The Parties
8 separately agree that they and their respective counsel and employees will not encourage any Class
9 Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph
10 shall be construed to restrict Class Counsel’s ability to communicate with, and to advise, Class Members
11 in accordance with Class Counsel’s ethical obligations owed to Class Members.

12 87. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
13 during Action and in this Settlement Agreement relating to the confidentiality of information shall
14 survive the execution of this Settlement Agreement.

15 88. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
16 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
17 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

18 89. Enforcement Actions. In the event that one or more of the Parties institutes any legal
19 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
20 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
21 entitled to recover from the unsuccessful Party or Parties reasonable attorneys’ fees and costs, including
22 expert witness fees incurred in connection with any enforcement actions.

23 90. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
24 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
25 more strictly against one party than another merely by virtue of the fact that it may have been prepared
26 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
27 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

28 91. Representation By Counsel. The Parties acknowledge that they have been represented

by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

92. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

93. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

94. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

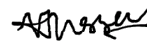
READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 1/3/2023

Musharrof Hussain

DocuSigned by:



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DEFENDANTS

Dated: _____

Print Name of Authorized Signatory
Wilshire HM, LLC, Proper Hospitality, LLC, and
Santa Monica Proper JV, LLC

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: January 4, 2023

By: 
Raul Perez

Attorneys for Plaintiff Musharrof Hussain

STOKES WAGNER

Dated: _____

By: _____
Peter B. Maretz

Attorneys for Defendants Wilshire HM, LLC, Proper
Hospitality, LLC, and Santa Monica Proper JV, LLC

Exhibit A

Hussain v. Wilshire HM, LCC, No. 20STCV37515
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All persons who were employed at the Santa Monica Proper Hotel in non-exempt, hourly positions at any time from September 30, 2016 through December 3, 2022 (“Class Members”).

All persons who were employed at the Santa Monica Proper Hotel in non-exempt, hourly positions at any time from October 12, 2019 through December 3, 2022 (“PAGA Members”).

On _____, the Honorable Kenneth R. Freeman of the Los Angeles County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendants’ records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants Wilshire HM, LLC, Proper Hospitality, LLC and Santa Monica Proper JV, LLC (collectively “Defendants”) to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at __:00 __m. [DATE] in Department 14 of the Los Angeles County Superior Court located at 312 North Spring Street, Los Angeles, California 90012.

You are not required to attend the hearing, but if you wish to attend, you may attend the hearing telephonically (remotely), which can be set up through LA Court Connect (www.lacourt.org/lacc/). A prescheduled appointment is currently necessary to review any documents in the clerk’s office.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims and PAGA penalty claims against Defendants based on the facts alleged in the Action during the applicable Class Period and PAGA Period.
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion by mail, email, or fax. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
The Opt-out Deadline is [DATE]	

	You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendants based on the facts alleged in the Action during the PAGA Period.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed class settlement, but not the PAGA settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Department 7 of the Spring Street Courthouse located at 312 North Spring Street, Los Angeles, California 90012. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement.

Summary of the Litigation

Plaintiff Musharrof Hussain, on his behalf and on behalf of other current and former non-exempt employees, alleges that Defendants violated California state labor laws as a result of their alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) reimburse employees for all necessary business expenses; (4) provide employees with one day’s rest in seven; (5) timely pay all wages owed to employees during each pay period and upon termination of their employment; and (6) provide employees with accurate, itemized wage statements.

Defendants have denied, and continue to deny Plaintiff’s allegations in the case, and believe that they have valid defenses to Plaintiff’s claims. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Both Plaintiff and Defendants agree the proposed Settlement is a compromise of disputed claims.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On October 4, 2022, the parties participated in a mediation with the Hon. Carl J. West (Ret.), an experienced and well-respected class action mediator. With Judge West’s guidance, the parties were able to negotiate a complete settlement of Plaintiff’s claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Summary of The Proposed Settlement Terms

Plaintiff and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$625,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Musharrof Hussain for his services on behalf of the class, and for a release of all claims arising out of his employment with Defendants; (3) \$208,333 in attorneys' fees and up to \$25,000 in litigation costs and expenses; (4) a \$20,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$15,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$5,000 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$12,000. After deducting the above payments, a total of approximately \$_____ will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Members will receive a proportional share of the \$5,000 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member from September 30, 2016 through December 3, 2022 ("Class Period") and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendants' records, you worked during the Class Period in a non-exempt position for a total of _____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$_____.

Payments from PAGA Fund. Defendants will calculate the total number of Workweeks worked by each PAGA Member from October 12, 2019 through December 3, 2022 ("PAGA Period") and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the "PAGA Workweek Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual Participating PAGA Member's total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he or she submits a valid Request for Exclusion.

According to Defendants' records, you worked during the PAGA Period in a non-exempt position for a total of _____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$_____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$_____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator

c/o _____

Email _____

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Mailing Address _____
Fax No. _____

If you dispute the information stated above, Defendants' records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 25% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 75% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, upon the date on which Defendants fund the Gross Settlement Amount, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims:

Released Class Claims: All claims, rights, demands, liabilities, and causes of action that were alleged, or reasonably could have been alleged, reasonably arising from, or related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest break violations; (c) all claims for unpaid minimum wages; (d) all claims for the failure to provide one day of rest in seven; (e) all claims for the failure to reimburse for necessary business expenses; (f) all claims for the failure to timely pay wages upon termination based on the preceding claims; (g) all claims for the failure to timely pay wages during employment based on the preceding claims; (h) all claims for wage statement violations based on the preceding claims; and (i) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*

Released PAGA Claims: All claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged in Plaintiff's LWDA letter during the PAGA Period.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail, email, or fax the request for exclusion by U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

Email Address:

Fax: _____

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

The Request for Exclusion must be postmarked, emailed, or faxed not later than [DATE]. If you submit a Request for Exclusion which is not postmarked, emailed, or faxed by [DATE], your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed or emailed to the administrator at [administrator's address] or [email].

All written objections must be received by the administrator by not later than [DATE]. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only. You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Los Angeles and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (855) 857-9115

Settlement Administrator
[Name of Company]
[Email Address]
[Mailing Address]
[Telephone]
Fax Number]

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS' ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******