

1 **WORKWORLD LAW CORP.**
A Professional Corporation
2 6907 El Camino Real, Suite A
Atascadero, California 93422
3 Telephone: 805-335-2476
Facsimile: 805-892-6213
4 Email: ruben@workworldlaw.com
Attorney for Plaintiff
5 STATE OF CALIFORNIA ex rel.
GRACIELA ORTEGA, as Private
6 Attorney General

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SANTA BARBARA – ANACAPA DIVISION**

10
11 STATE OF CALIFORNIA ex rel.
GRACIELA ORTEGA, as Private
12 Attorney General,

13 Plaintiff,

14 vs.

15 STATE STREET HOSPITALITY INC.;
16 and DOES 1-25, inclusive,

17 Defendants.

Case No. 22CV02942

Assigned for All Purposes to:
Hon. Thomas P. Anderle – Dept. 3

**NOTICE OF ENTRY OF ORDER
APPROVING PAGA SETTLEMENT**

Complaint Filed: July 29, 2022

Trial Date: None

18 **TO ALL PARTIES AND THEIR COUNSEL OF RECORD:**

19 **PLEASE TAKE NOTICE** that on March 29, 2023, the Court approved and entered the
20 parties' Stipulation and Proposed Order Approving PAGA Settlement, a copy of which is attached
21 hereto as Exhibit 1.

22
23 DATED: March 30, 2023

WORKWORLD LAW CORP.

24
25 By:


RUBEN ESCOBEDO

26
27 Attorney for Plaintiff STATE OF CALIFORNIA ex. rel.
GRACIELA ORTEGA, as Private Attorney General
28

EXHIBIT 1

Charles J. Smith, Esq.
Monica Valencia
Law Offices of Charles J. Smith III
777 Marshall Street
Redwood City, CA 94063
smith@hslawoffice.com
mvalencia@hslawoffice.com
Attorneys for State Street Hospitality

Ruben Escobedo (SBN 277866)
WORKWORLD LAW CORP.
A Professional Corporation
6907 El Camino Real, Suite A
Atascadero, California 93422
Telephone: 805-335-2476
Facsimile: 805-892-6213
Email: ruben@workworldlaw.com
Attorney for Plaintiff
STATE OF CALIFORNIA ex rel.
GRACIELA ORTEGA, as Private
Attorney General,

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA BARBARA – ANACAPA DIVISION

STATE OF CALIFORNIA ex rel.
GRACIELA ORTEGA, as Private
Attorney General,

Plaintiff,

vs.

STATE STREET HOSPITALITY INC.;
and DOES 1-25, inclusive,
Defendants.

Case No. 22CV02942

*Assigned for All Purposes to:
Hon. Thomas P. Anderle – Dept. 3*

**STIPULATION AND [PROPOSED]
ORDER APPROVING PAGA
SETTLEMENT**

Complaint Filed: July 29, 2022

Trial Date: None

This Stipulation is entered into by and between PLAINTIFF STATE OF CALIFORNIA ex rel. GRACIELA ORTEGA, as Private Attorney General, (“PLAINTIFF”) and DEFENDANTS STATE STREET HOSPITALITY INC. (“DEFENDANT”), (PLAINTIFF and DEFENDANT are collectively referred to herein as the “Parties” or singularly as the “Party”), by and through their respective counsel, with reference to the following facts:

PLAINTIFF filed a claim under the Private Attorneys General Act (“PAGA”) with the State of California;

1 After exhausting PAGA's administrative procedure, PLAINTIFF filed her complaint on July
2 29, 2022;

3 PLAINTIFF filed her First Amended Complaint on March 4, 2022;

4 The Complaint alleges five (5) causes of action: (1) Failure to Provide Compliant Rest
5 Periods or Pay Rest Premiums; (2) Failure to Pay Out Vacation Wages at Termination; (3) Failure
6 to Establish, Implement, and Maintain Effective Injury Prevention Program; (4) Violations of
7 Hotel Housekeeping Musculoskeletal Injury Prevention Standards; and (5) Permitting Unsafe
8 Work and Failure to Provide Safe Workplace, Practices, and Processes.

9 After exchanging information and documents which PLAINTIFF required to evaluate the
10 matter, the parties reached a settlement agreement, which the parties recently memorialized in a
11 long-form settlement agreement, a copy of which is attached hereto as **Exhibit 1**.

12 In sum, the parties' agreement requires Defendant to pay a total of \$25,000, including
13 \$7,500 directly to Plaintiff in exchange for a general release; \$7,500 in attorneys' fees; costs not to
14 exceed \$1,000; \$2,500 to be paid for claims administration costs; the balance (\$6,500) will be
15 distributed as required by the PAGA, with 75% (\$4,875) going to the Labor & Workforce
16 Development Agency and 25% (\$1,625) going to the estimated twelve (12) aggrieved employees
17 in equal shares. Based on the number of aggrieved employees, each of the Aggrieved Employees
18 will receive approximately \$135.41. The Agreement also provides substantial non-monetary relief
19 to the aggrieved employees, as set forth at page 7 of the Agreement:

20 Within thirty (30) days after the Effective Date, Defendant will provide a declaration executed
21 under penalty of perjury to Plaintiff's Counsel that does the following:

22 A. Confirms Defendant has provided a written copy of a notice to any currently-employed

23 Aggrieved Employees addressing the following:

- 24 a. Right to take breaks at prescribed intervals;
- 25 b. Protocol for housekeepers to notify supervisor when taking breaks;
- 26 c. Instructions on what to do if a housekeeper is asked to perform work during a
27 break;
- 28 d. Importance of taking breaks regularly, and not skipping breaks, to reduce the risk

1 of injury;

2 B. Confirms Defendant has reviewed its break schedules and capabilities;

3 C. Confirms Defendant has reviewed its vacation accrual and payment policies;

4 D. Confirms Defendant has reviewed and complied with Title 8, Section 3345 of the California
5 Code of Regulations.

6 Pursuant to Labor Code § 2699(1)(2), "the superior court shall review and approve any
7 settlement of any civil action filed pursuant to this part. The proposed settlement shall be
8 submitted to the agency at the same time that it is submitted to the Court." As required, the parties
9 confirm that prior to filing this Stipulation, Plaintiff has submitted this document including Exhibit
10 1 to the LWDA.

11 The parties respectfully request that this Court enter the proposed Order and Judgment
12 Granting Approval of PAGA Settlement submitted concurrently herewith.

13 **IT IS SO STIPULATED.**

14 DATED:

15 2/28/23

Law Offices of Charles J. Smith III

16
17 By:

18 CHARLES J. SMITH
19 MONICA VALENCIA

20 Attorneys for Defendant STATE STREET
21 HOSPITALITY INC.

22 DATED: 3/4/2023

WORKWORLD LAW CORP.

23 By:

24 RUBEN ESCOBEDO

25 Attorney for Plaintiff STATE OF CALIFORNIA ex. rel.
26 GRACIELA ORTEGA, as Private Attorney General
27
28

[PROPOSED] ORDER

Having considered the stipulation filed by PLAINTIFF STATE OF CALIFORNIA ex rel. GRACIELA ORTEGA, as Private Attorney General, ("PLAINTIFF") and DEFENDANT STATE STREET HOSPITALITY INC. ("DEFENDANT"), (PLAINTIFF and DEFENDANT are collectively referred to herein as the "Parties" or singularly as the "Party"), the Court hereby ORDERS, ADJUDGES AND DECREES as follows:

1. The Court hereby GRANTS approval of the Settlement Agreement under Labor Code § 2699(1)(2). The Settlement Agreement is hereby fully approved and shall be carried out and effectuated according to its terms and this Order.

2. This Order incorporates by reference the definitions in the Settlement Agreement and all terms defined therein shall have the same meaning in this Order.

3. The terms of the Settlement Agreement, and this Order and Judgement, are binding on Plaintiff and the Aggrieved Employees, as well as their heirs, executors and administrators, successors and assigns, and those terms shall have res judicata, collateral estoppel and other preclusive effect in all pending and future claims, lawsuits or other proceedings maintained by or on behalf of any such persons, to the extent those claims, lawsuits or other proceedings constitute Released Claims as set forth in the Settlement Agreement.

4. For purposes of this settlement only, the Aggrieved Employees are defined as: twelve (12) housekeepers employed by Defendant from May 23, 2021, through November 11, 2022, including Plaintiff.

5. Upon the Effective Date as set forth in the Settlement Agreement, Plaintiff, the Aggrieved Employees, and the State of California (including the LWDA) release Defendant and all Released Parties of the Released Claims. Any and all claims, rights, demands, charges, causes of action, lawsuits, complaints, obligations, penalties, fines, promises, agreements, controversies and liabilities, known and unknown, (collectively, "Claims") for any relief whatsoever, including monetary, injunctive, or declaratory, whether direct or indirect, whether suspected or unsuspected, whether contingent or vested, arising from or related in any way to any of the allegations in the Action from the period between May 23, 2021, through November 11, 2022. The Released

1 Claims include all claims pleaded or which could have been pleaded in the Action arising from
2 any of the facts alleged therein, including but not limited to claims of any and every nature based
3 on any of the statutory provisions identified therein, and all penalty claims, no matter how
4 pleaded.

5 6. Plaintiff, Aggrieved Employees, and Defendant shall consummate the settlement in
6 accordance with the terms of the Settlement Agreement. Except as expressly provided in the
7 Settlement Agreement, the Released Parties shall not have any further liability arising from this
8 action for costs, expenses, interest, attorneys' fees, or for any other charge, expense, or liability.

9 7. As provided in the Settlement Agreement, Defendant shall pay the Claims
10 Administrator, ILYM Group, Inc., the Maximum Settlement Amount of \$25,000 in accordance
11 with the schedule set forth in the Settlement Agreement. Defendant will not be required to pay any
12 additional amounts in connection with the Settlement other than those specifically set forth in the
13 Settlement Agreement and this Order. The Court orders the Claims Administrator to administer
14 and distribute payment of the Settlement Agreement in accordance with its terms.

15 10. Without affecting the finality of this Order and Judgment, the Court retains
16 continuing jurisdiction as to all matters relating to the administration and consummation of the
17 settlement as provided in the Settlement Agreement and all other matters covered in this Order and
18 the final judgment to be entered in this matter.

19 11. Nothing in this Order shall preclude any action to enforce Defendant's obligations
20 under the Settlement Agreement, including the requirement that it make payments in accordance
21 with the terms of the Settlement Agreement.

22 12. Upon entry of this Order, final judgment shall be deemed entered herein and,
23 except as otherwise provided in the Settlement Agreement, Plaintiff, the Aggrieved Employees,
24 and counsel shall bear their own attorneys' fees, costs, and expenses incurred by them in or arising
25 out of the lawsuit (as defined in the Settlement Agreement) and shall not seek reimbursement
26 thereof from the Released Parties.

27 13. Neither this Order nor the Settlement Agreement (nor any other document referred
28 to herein, nor any action taken to carry out this Order) is, may be construed as, or may be used as,

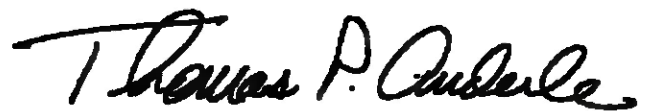
1 an admission of liability or fault by Defendant or the Released Parties, or a finding as to the
2 validity of any claims in the lawsuit or of any wrongdoing or violation of law by Releasees. The
3 Settlement Agreement is not a concession by the Parties and, to the extent permitted by law,
4 neither this Order, Judgment, nor any of their terms or provisions, nor any of the negotiations or
5 proceedings connected with them, shall be offered as evidence or received in evidence in any
6 pending or future civil, criminal, or administrative action or proceeding to establish any liability
7 of, or admission by the Released Parties. Notwithstanding the foregoing, nothing in this Order and
8 Judgment shall be interpreted as prohibiting the use of this Order and Judgment in a proceeding to
9 consummate or enforce the Settlement Agreement or this Order and Judgment to defend against
10 the assertion of claims in any other proceeding, or as otherwise required by law. This Order and
11 the Settlement Agreement may be filed in any action against or by Defendant or the Released
12 Parties to support a defense of res judicata, collateral estoppel, release, waiver, good-faith
13 settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion,
14 issue preclusion or similar defense or counterclaim.

15 14. Plaintiff is directed to submit a copy of this Order and Judgement to the LWDA
16 within 3 days of the date of this Order and Judgment.

17 Having granted approval of the settlement between the parties in the above-entitled action
18 as set forth above, this Court HEREBY ORDERS, ADJUDGES AND DECREES that Judgment
19 in this matter is entered in accordance with the Settlement Agreement.

20 **IT IS SO ORDERED**

21
22 Dated: 03/29/2023



Judge of the Superior Court

Thomas P. Anderle

EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

Subject to approval by the Court, Plaintiff Graciela Ortega (“Plaintiff”) on behalf of the other alleged aggrieved employees (the “Aggrieved Employees” as described below), and as a private attorney general on behalf of the State of California on the one hand, and Defendant State Street Hospitality Inc. (“Defendant”) on the other hand, (collectively, the “Parties”) hereby agree to the following settlement (“Settlement” or “Settlement Agreement”) of the Plaintiff’s Private Attorneys General Act (“PAGA”) claims and her individual claims in the lawsuit entitled State of California ex rel. Graciela Ortega v. State Street Hospitality Inc., Santa Barbara County Superior Court Case No. 22CV02942 (“Action”).

PERSONS COVERED BY THE SETTLEMENT

1. Aggrieved Employees: This Settlement covers all 12 housekeepers employed by Defendant from May 23, 2021, through November 11, 2022 (“Aggrieved Employees”), including Plaintiff.
2. Settlement Period: The Settlement covers the period from May 23, 2021, until final approval of this agreement by the Court and the occurrence of the Effective Date (“Settlement Period”).
3. Effective Date: “Effective Date” will be the date the Court or any Party serves notice of the Court’s order and judgment approving this Settlement. At no time will Defendant have any obligation to fund the Settlement, in whole or in part, until after the occurrence of this Effective Date.

SETTLEMENT CONSIDERATION

4. Maximum Settlement Amount: Subject to the terms and conditions of this Agreement Defendant will pay the gross maximum amount of Twenty-Five Thousand Dollars (\$25,000) (“Maximum Settlement Amount”) to settle the claims in the Action and any other claims released pursuant to this Agreement. In no event shall Defendant be responsible for paying more than the Maximum Settlement Amount. The Maximum Settlement Amount includes Attorneys’ Fees, Litigation Costs, Plaintiff’s Individual Payment, Settlement Administrator Costs, and payment for the “Released Claims” and “Plaintiff Released Claims” as defined below (including payment to the LWDA and payments to Aggrieved Employees).

5. Attorneys' Fees: In full satisfaction of all claims Plaintiff and Aggrieved Employees may have for attorneys' fees arising out of the Action, Plaintiff's Counsel, WorkWorld Law Corp. ("Plaintiff's Counsel"), shall request and be paid from the Maximum Settlement Amount a maximum amount of Seven Thousand Five Hundred Dollars (\$7,500), subject to Court approval. To the extent the Court approves attorneys' fees of less than this amount, the amount of the difference shall be added to the PAGA Penalties Fund. Defendant agrees not to oppose a fee request by Plaintiff's counsel in the foregoing amount. Within twenty-one (21) days of receipt of the deposit of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay Plaintiff's counsel the amount described in this paragraph.

6. Litigation Costs: In full satisfaction of all claims Plaintiff and Aggrieved Employees may have for litigation costs arising out of the Action, Plaintiff's Counsel shall request and be paid from the Maximum Settlement Amount a maximum amount of One Thousand Dollars (\$1,000) in litigation costs, subject to Court approval. To the extent the Court approves litigation costs of less than \$1,000, the amount of the difference shall be added to the PAGA Penalties Fund. Defendant agrees not to oppose a litigation costs request by Plaintiff's counsel in the foregoing amount. Within twenty-one (21) days of receipt of the deposit of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay Plaintiff's counsel the amount described in this paragraph.

7. Plaintiff's Individual Payment: In exchange for a general release, and in recognition of Plaintiff's effort and work in prosecuting the Action on behalf of Aggrieved Employees and the State of California, the Parties agree that, subject to Court approval, Plaintiff will receive a payment of Seven Thousand Five Hundred Dollars (\$7,500) ("Plaintiff's Individual Payment"). Plaintiff's Individual Payment will be paid from the Maximum Settlement Amount. The Plaintiff's Individual Payment will be treated as 100% miscellaneous income for which a 1099 will be issued. To the extent the Court approves Plaintiff's Individual Payment for less than \$7,500, the amount of the difference shall be added to the PAGA Penalties Fund. Within twenty-one (21) days of receipt of the deposit of the Maximum Settlement

Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay Plaintiff the amount described in this paragraph.

8. PAGA Penalties Fund: The Parties agree that Defendant, through the Settlement Administrator, will pay the LWDA and Aggrieved Employees in full satisfaction of all claims for PAGA civil penalties under the California Labor Code in an amount equal to the remainder of the Maximum Settlement Amount following deduction of any Court-approved attorneys' fees, litigation costs, Plaintiff's Individual Payment, and Settlement Administration Costs ("PAGA Penalties Fund"). Pursuant to PAGA, 75% of the PAGA Penalties Fund will be paid to the LWDA, and the remaining 25% will be paid to all Aggrieved Employees in equal shares.

9. Settlement Administrator: ILYM Group, Inc. shall be the third-party settlement administrator for the purposes of administering this Settlement.

10. Settlement Administration Costs: Settlement Administration Costs will be paid to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per aggrieved employee, tax reporting, distributing the PAGA Penalties Fund and Individual Payments Amount, and providing necessary reports, and other duties and responsibilities as requested by the Parties. The Settlement Administration Costs will be paid from the Maximum Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum necessary to administer the Settlement, which is anticipated to be no greater than Two Thousand Five Hundred Dollars (\$2,500). To the extent actual Settlement Administration Costs are greater than \$2,500, such excess amount will be deducted from the PAGA Penalties Fund. Within twenty-one (21) days of receipt of the deposit of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay itself the amount described in this paragraph.

11. Court Approval of the Settlement and Distribution of Settlement Payments: Within thirty (30) days of the Parties executing this Settlement Agreement, Plaintiff will file a stipulation or motion requesting that the Court issue an order approving and incorporating by reference the terms and

conditions of the Settlement Agreement, and entering judgment. Plaintiff and Defendant will jointly prepare the proposed Approval Order and Judgment to be entered by the Court to enforce this Agreement and dismissing this case with prejudice. The proposed Approval Order and Judgment will be submitted concurrently with the documents asking the court to approve the settlement. Plaintiff shall promptly submit this Settlement Agreement to the LWDA at the same time the stipulation or motion for settlement approval is filed.

12. Funding of the Settlement: Within thirty (30) days after the Effective Date of the Settlement, Defendant will pay the Maximum Settlement Amount to the Settlement Administrator.

13. Settlement Payments to Aggrieved Employees: No later than thirty (30) days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees (“Aggrieved Employees List”). The Aggrieved Employees List shall state the first name and last name for each Aggrieved Employee; and the last known address for each Aggrieved Employee; each Aggrieved Employee’s social security number. No later than twenty-one (21) days after receipt of the Maximum Settlement Amount from Defendant, the Settlement Administrator will issue each Aggrieved Employee a check for his or her equal share of the PAGA Penalties Fund along with an explanatory letter in the form attached hereto as **Exhibit A**. Checks will remain negotiable for one hundred twenty (120) days. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than one hundred twenty (120) days after issuance will be tendered to the LWDA. In the event that an Aggrieved Employees’ check is undeliverable, uncashed, or otherwise distributed to the LWDA, the terms of the final judgment and the Release of Claims will nevertheless be binding upon that Aggrieved Employee and the State of California with respect to that Aggrieved Employee. All payments made to Aggrieved Employees shall, if required by applicable state and/or federal law, be reported on a federal form 1099

that shall be provided to the individual Aggrieved Employees. Aggrieved Employees are responsible for correctly characterizing this compensation for tax purposes and paying any taxes owing on said amounts.

14. Release of Claims for Aggrieved Employees and the State of California: Upon issuance of the Court's approval order and judgment, Plaintiff, all Aggrieved Employees, and the State of California shall fully release and forever discharge any and all claims against the Released Parties arising during the Settlement Period for civil penalties under PAGA that were asserted or could reasonably have been asserted based on the facts alleged or that could have been alleged in the Action and/or the PAGA letter submitted by Plaintiff to the LWDA("Released Claims"). "Released Parties" shall mean Defendant, its past and present parents, subsidiaries, predecessors, successors, assigns, owners, officers, directors, employees, agents, trustees, affiliated entities, attorneys or legal representatives, insurers, fiduciaries, beneficiaries, partners, and/or any other entity or individual which could be liable for the acts or omissions of Defendant in relation to the Released Claims. Upon issuance of the Court's approval order and judgment, Plaintiff, all Aggrieved Employees, and the State of California will be forever barred from pursuing against Defendant and the Released Parties any and all claims for PAGA civil penalties under the Labor Code, Wage Orders, and/or other provisions of law alleged or that could have been alleged to have been violated in the Action with respect to the Aggrieved Employees based on the facts alleged or that could have been alleged in the Action.

15. Plaintiff Released Claims: Upon issuance of the Court's approval order and judgment, Plaintiff shall fully and finally release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including, but not limited to, claims arising from or related to employment with Defendant or the Released Parties and compensation while an employee of Defendant or the Released Parties ("Plaintiff Released Claims"). The Plaintiff Released Claims include, but are not limited to, the Released Claims and all claims asserted in, arising from, or related to the Action. The Plaintiff Released Claims also include, but are not limited to, all claims for unpaid wages, premiums, and penalties including, but not limited to, claims for failure to pay minimum wages, straight time compensation, overtime, and interest; the calculation of the regular rate of pay; wages related to time rounding and timekeeping; missed meal

period and rest period premiums; meal period waivers; failure to reimburse for all necessary business expenditures or losses; payment for all hours worked, including off-the-clock work and uncompensated work time; wage statements; deductions; failure to pay wages and final wages in a timely manner; failure to keep accurate records; failure to provide employment records; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, waiting-time penalties, statutory and civil penalties; and attorneys' fees and costs. The Plaintiff Released Claims also include but are not limited to all claims arising under the Labor Code; the Wage Orders of the California Industrial Welfare Commission; the PAGA; Business and Professions Code §§ 17200, et seq.; the Civil Code, to include but not limited to, sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; Code of Civil Procedure § 1021.5; the common law of contract; the FLSA, 29 U.S.C. §§ 201, et seq.; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. §§ 1001, et seq. The Plaintiff Released Claims also include but are not limited to all claims for emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, 42 U.S.C. § 1981, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, and the California Fair Employment and Housing Act; privacy claims of any type; and the law of contract and tort. This release excludes the release of claims not permitted by law.

The Plaintiff Released Claims include all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that she now knows or believes to be true with respect to the subject matter of the Plaintiff Released Claims, those claims will remain released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits of section 1542 of the California Civil Code, 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.

Notwithstanding the foregoing provisions, the General Release by Plaintiff does not constitute a waiver of any claims that cannot by law be waived. Plaintiff agrees she will not file any new claims or initiate any further action against the Released Parties relating in any way to the subjects of the Agreement or the release set forth herein, except in the event action is necessary to enforce the terms of the Agreement.

16. Required Action by Defendant: Within thirty (30) days after the Effective Date, Defendant will provide a declaration executed under penalty of perjury to Plaintiff's Counsel that does the following:

- A. Confirms Defendant has provided a written copy of a notice to any currently-employed Aggrieved Employees addressing the following:
 - a. Right to take breaks at prescribed intervals;
 - b. Protocol for housekeepers to notify supervisor when taking breaks;
 - c. Instructions on what to do if a housekeeper is asked to perform work during a break;
 - d. Importance of taking breaks regularly, and not skipping breaks, to reduce the risk of injury;
- B. Confirms Defendant has reviewed its break schedules and capabilities;
- C. Confirms Defendant has reviewed its vacation accrual and payment policies;
- D. Confirms Defendant has reviewed and complied with Title 8, Section 3345 of the California Code of Regulations.

No discovery will be permitted regarding compliance with this section of the Settlement Agreement.

17. No Credit Toward Benefit Plans: Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) 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 Aggrieved Employee may be entitled under any benefit plans.

18. Tax Liability: Defendant and Plaintiff's Counsel make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Aggrieved Employees shall not rely on any statement or representation by Defendant or Plaintiff's Counsel in this regard. Aggrieved Employees are advised that Aggrieved Employees will be solely responsible for the payment of their portion of any taxes and penalties assessed on the payments described herein and will defend, indemnify, and hold Defendant and the Released Parties free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages. Plaintiff understands and agrees that if any action is asserted against Defendant, Defendant's agents, the Released Parties, Plaintiff, or Plaintiff's agents, by any taxing authority or government agency with respect to the payments to Plaintiff under this Agreement, she shall be liable for any taxes owed, and further agrees that she will hold Defendant and Defendant's agents and the Released Parties free and harmless and indemnify them from and against any demands or lawsuits for payment of income taxes and payroll taxes, interest, or penalties relating to the monies paid to Plaintiff or for her benefit pursuant to this Agreement.

19. No Prior Assignments: 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.

20. Nullification of Settlement Agreement: In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

21. Continued Jurisdiction: After entry of the Court's approval order and judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement; (ii) settlement administration matters; and (iii) such post-Court Approval matters as may be appropriate under court rules or as set forth in this Settlement.

22. Preclusive Effect of Settlement Agreement and Approval: The terms of this Agreement, the Approval order, and the Judgment are binding on Plaintiff, the State of California, and all Aggrieved Employees, as well as their heirs, executors and administrators, successors and assigns, and any other persons or entities acting on their behalf, and those terms shall have res judicata, collateral estoppel and other preclusive effect in all pending and future claims, lawsuits or other proceedings maintained by or on behalf of any such persons, to the extent those claims, lawsuits or other proceedings constitute Released Claims as set forth in the Agreement. Notwithstanding any other provision in this Agreement, this Agreement, the Approval order, and the Judgment in the Action may be filed in any action against or by Defendant or the Released Parties to support a defense of res judicata, collateral estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion or similar defense or counterclaim.

23. Entire Agreement: This Settlement Agreement constitutes the entirety of the Parties' settlement terms with regard to the settlement of Plaintiff's PAGA and individual claims. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

24. Amendment or Modification: This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest.

25. Authorization to Enter Into Settlement Agreement: The Parties warrant and represent they expressly authorized their legal counsel to negotiate this Settlement Agreement. The Parties will direct their counsel 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 through 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.

26. 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.

27. 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.

28. 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 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. To facilitate execution and delivery of this Settlement Agreement, the parties may execute and exchange by facsimile or electronic image (*i.e.*, as a “.pdf” file) counterparts of the signature pages and/or sign by electronic means (*i.e.*, with DocuSign).

29. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm’s-length negotiations. The Parties further acknowledge they are represented by competent counsel and they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

30. Invalidity of Any Provision: Before declaring any provision of this Settlement 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 Settlement Agreement valid and enforceable. Any provisions deemed invalid shall be severable from the rest of the Settlement Agreement.

31. Captions: The captions and section numbers in this Settlement 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 Settlement Agreement.

32. Waiver: 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.

33. Enforcement Action: In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to

recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

34. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement 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.

35. Representation By Counsel: The Parties acknowledge they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

36. Attorneys' Fees and Costs: Except as expressly provided herein, Defendant and Plaintiff shall each bear their own attorney's fees and costs.

37. 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.

38. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, 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.

39. Confidentiality: Plaintiff and her counsel agree that they have not and will not publish the results of the Settlement in any forum. In response to any inquiries, Plaintiff will state that "the case was resolved and it was resolved confidentially." Plaintiff's Counsel shall not report the Settlement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff or the Aggrieved Employees or the Settlement on their website, and shall not contact any reporters or media regarding the Settlement. Plaintiff's Counsel is authorized to make a limited disclosure to the Court and the LWDA for the purposes of obtaining the approval of the Settlement. This disclosure is limited to court

filings and neither Plaintiff nor their Counsel or representatives are permitted to disseminate or publish, distribute, or discuss the information provided to the Court in those filings outside the filings themselves and any hearing held on those filings, unless ordered otherwise by the Court.

40. No Admission of Liability: The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant or Released Parties. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

PLAINTIFF GRACIELA ORTEGA

Dated: 01 / 20 / 2023



DEFENDANT STATE STREET HOSPITALITY INC.

Dated: 1-10-2023

By: 
Its Authorized Representative

Exhibit A

<<DATE>>

TO BE TRANSLATED INTO SPANISH BY THE ADMINISTRATOR

<<FIRST NAME>> <<LAST NAME>>

<<ADDRESS>>

Re: Payment From *State ex rel. Ortega v. v. State Street Hospitality Inc., et al.*

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *State ex rel. Ortega v. v. State Street Hospitality Inc., et al.* Santa Barbara County Superior Court, Case No. 22CV02942 (the “Action”).

The Action was filed against State Street Hospitality, Inc. (“SSH”) under the California Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* (“PAGA”). The claim was brought by one former employee of SSH on behalf of the State of California and all persons who worked for SSH as housekeepers in the State of California from May 23, 2021 to November 11, 2022 (“Aggrieved Employees”). You have been identified as an Aggrieved Employee on whose behalf the case was brought.

The Plaintiff in the lawsuit claims SSH owes penalties under PAGA for alleged violations of the California Labor Code, including failure to provide rest periods, failure to pay vacation wages at the time of termination, noncompliant injury prevention program, among other related claims. SSH denies that it has done anything wrong. SSH denies all allegations made against it in the Action, maintains its policies and practices are and were lawful, and that all employees are and were provided with all wages and working conditions in conformance with applicable law at all times.

The Court has not ruled on the merits of the lawsuit, but it has approved the settlement the parties reached. By law, a portion of the settlement amount goes to the State of California. Another portion of the settlement amount goes to the Aggrieved Employees. This Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of SSH, which expressly denies all liability.

Enclosed is a check for your share of the settlement. You are not a party to this lawsuit, but you and the State are bound by the judgment.

If you have further questions about this settlement, please contact the lawyer for Ms. Ortega, Ruben Escobedo, 6907 El Camino Real, Suite A, Atascadero, CA 93422, (805) 335-2476.

Sincerely,

[NAME AND TITLE OF SIGNATORY]

Case Name: *State of California ex rel. Graciela Ortega v. State Street Hospitality Inc.*
Case No.: 22CV02942

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA

I am employed in the County of Santa Barbara, State of California. I am over the age of 18 and not a party to the within action. My business address is 6907 El Camino Real, Suite A, Atascadero, CA 93422.

On **March 6, 2023**, I served the following document(s) described as **STIPULATION AND [PROPOSED] ORDER APPROVING PAGA SETTLEMENT** on the interested parties by placing/attaching a true copy thereof enclosed in a sealed envelope/attached to an email to the email destination addressed as follows:

Charles J. Smith, Esq.
Monica Valencia
Law Offices of Charles J. Smith III
777 Marshall Street
Redwood City, CA 94063
smith@hslawoffice.com
mvalencia@hslawoffice.com
Attorney for Defendant

- ☐ **BY MAIL:** I deposited the sealed envelope with the United States Postal Service, with postage fully prepaid.
- ☐ **BY FEDERAL EXPRESS/OVERNIGHT MAIL:** I caused the above-described document to be served on the interested parties noted as follows by Federal Express/Overnight Mail.
- ☐ **BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the office(s) of the addressee.
- ☒ **BY ELECTRONIC MAIL:** I caused the email to be sent.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on **March 6, 2023**.



Hannah Keating

Case Name: *State of California ex rel. Graciela Ortega v. State Street Hospitality Inc.*
Case No.: 22CV02942

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA

I am employed in the County of San Luis Obispo, State of California. I am over the age of 18 and not a party to the within action. My business address is 6907 El Camino Real, Suite A, Atascadero, CA 93422.

On **March 30, 2023**, I served the following document(s) described as **NOTICE OF ENTRY OF ORDER APPROVING PAGA SETTLEMENT** on the interested parties by placing/attaching a true copy thereof enclosed in a sealed envelope/attached to an email to the email destination addressed as follows:

Charles J. Smith, Esq.
Monica Valencia
Law Offices of Charles J. Smith III
777 Marshall Street
Redwood City, CA 94063
smith@hslawoffice.com
mvalencia@hslawoffice.com
Attorney for Defendant

- ☐ **BY MAIL:** I deposited the sealed envelope with the United States Postal Service, with postage fully prepaid.
- ☐ **BY FEDERAL EXPRESS/OVERNIGHT MAIL:** I caused the above-described document to be served on the interested parties noted as follows by Federal Express/Overnight Mail.
- ☐ **BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the office(s) of the addressee.
- ☒ **BY ELECTRONIC MAIL:** I caused the email to be sent.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on **March 30, 2023**.



Hannah Keating