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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

ROBERT ONOFRE, as an aggrieved employee
pursuant to the Private Attorneys General Act
("PAGA"),

Plaintiffs,

vs.

ANAHEIM MAJESTIC GARDEN HOTEL, a
California corporation; PHR MANAGEMENT,
INC., a California corporation; KEN REAL
ESTATE LEASE LTD., a business entity of
unknown form; and DOES 1 through 10,
inclusive,

Defendants.

MIGUEL ZALDIVAR AVILA, individually
and on behalf of all others similarly situated,

Plaintiffs,

vs.

ANAHEIM MAJESTIC GARDEN HOTEL,
business form unknown; TSUBAKI HOTEL
COLLECTION, business form unknown, and
DOES 1-50, inclusive,

Defendants.

Case No.: 30-2016-00861544-CU-OE-CXC

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

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

2 This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement
3 Agreement”) is made and entered into by and between Plaintiffs Robert Onofre and Miguel Zaldivar
4 Avila (“Plaintiffs” or “Class Representatives”), as individuals and on behalf of all others similarly
5 situated, and Defendants Anaheim Majestic Garden Hotel, PHR Management, Inc., and Ken Real Estate
6 Lease Ltd. (“Defendants”) (collectively with Plaintiffs, the “Parties”).

7 **DEFINITIONS**

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

10 1. “Actions” means *Onofre v. Anaheim Majestic Garden Hotel*, No. 30-2016-00861544-
11 CU-OE-CXC (Orange County Superior Court) and *Avila v. Anaheim Majestic Garden Hotel*, No. 30-
12 2016-00871797-CU-OE-CXC (Orange County Superior Court).

13 2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and
14 approved by the Court for Class Counsel’s litigation and resolution of the Actions, and all costs incurred
15 and to be incurred by Class Counsel in the Actions, including but not limited to, costs associated with
16 documenting the Settlement, providing any notices required as part of the Settlement or Court order,
17 securing the Court’s approval of the Settlement, administering the Settlement, obtaining entry of a
18 Judgment terminating the Actions, and expenses for any experts. Class Counsel will request attorneys’
19 fees not in excess of one-third (1/3) of the Class Settlement Amount, or Six Hundred Sixteen Thousand
20 Six Hundred Sixty Seven Dollars (\$616,667). The Attorneys’ Fees and Costs will also mean and include
21 the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and
22 settlement of the Actions, up to Fifty Thousand Dollars (\$50,000), subject to the Court’s approval.
23 Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set
24 forth above.

25 3. “Class Counsel” means Capstone Law APC and James W. Hawkins, APLC.

26 4. “Class List” means a complete list of all Class Members that Defendants will diligently
27 and in good faith compile from their records and provide to the Settlement Administrator and to Class
28 Counsel within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List

1 will be formatted in Microsoft Office Excel and will include each Class Member's full name; most
2 recent mailing address and telephone number; Social Security number; dates of employment; the
3 respective number of Workweeks that each Class Member worked during the Class Period; and any
4 other relevant information needed to calculate settlement payments.

5 5. "Class Member(s)" or "Settlement Class" means all persons who were employed by
6 Defendants in non-exempt positions in the State of California at any time during the period from August
7 26, 2012 through October 15, 2018.

8 6. "Class Period" means the period from August 26, 2012 through October 15, 2018.

9 7. "Class Representative Enhancement Payments" means the amounts to be paid to
10 Plaintiffs in recognition of their effort and work in prosecuting the Actions on behalf of Class Members,
11 and for their general release of claims. Subject to the Court granting final approval of this Settlement
12 Agreement and subject to the exhaustion of any and all appeals, Plaintiffs will request Court approval of
13 Class Representative Enhancement Payments of Seven Thousand Five Hundred Dollars (\$7,500), each.

14 8. "Class Settlement Amount" means the Class Settlement Amount of One Million Eight
15 Hundred Fifty Thousand Dollars (\$1,850,000), to be paid by Defendants in full satisfaction of all
16 Released Claims arising from the Actions, which includes all Individual Settlement Payments to
17 Participating Class Members, Attorneys' Fees and Costs to Class Counsel, the Class Representative
18 Enhancement Payments to Plaintiffs, the LWDA Payment, and Settlement Administration Costs to the
19 Settlement Administrator. This Class Settlement Amount has been agreed to by Plaintiffs and
20 Defendants based on the aggregation of the agreed-upon settlement value of individual claims. In no
21 event will Defendants be liable for more than the Class Settlement Amount except as otherwise
22 explicitly set forth herein. There will be no reversion of the Class Settlement Amount to Defendants.
23 Defendants will be separately responsible for any employer payroll taxes required by law, including the
24 employer FICA, FUTA, and SDI contributions, which shall not be paid from the Class Settlement
25 Amount.

26 9. "Court" means the Orange County Superior Court.

27 10. "Defendants" means Defendants Anaheim Majestic Garden Hotel, PHR Management,
28 Inc., and Ken Real Estate Lease Ltd.

1 11. “Effective Date” means the latter of: (i) if no timely objections are filed by Class
2 Members or the LWDA, or are withdrawn prior to final approval, the date upon which the Court enters
3 an order granting final approval of the Joint Stipulation of Class Action Settlement and Release; or (ii) if
4 timely objections are filed and not withdrawn, then either the final resolution of any appeals timely filed,
5 or the expiration date of the time for filing or noticing any such appeals.

6 12. “Individual Settlement Payment” means each Participating Class Member’s respective
7 share of the Net Settlement Amount.

8 13. “Labor and Workforce Development Agency Payment” or “LWDA Payment” means
9 the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency
10 (“LWDA”) in connection with the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code
11 §§ 2698, *et seq.*, “PAGA”). The Parties have agreed that Fifty Thousand Dollars (\$50,000) of the Class
12 Settlement Amount will be allocated to the resolution of Class Members’ claims arising under PAGA.
13 Pursuant to PAGA, Seventy-Five Percent (75%), or Thirty Seven Thousand Five Hundred Dollars
14 (\$37,500), of the PAGA Settlement Amount will be paid to the California Labor and Workforce
15 Development Agency, and Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars
16 (\$12,500), of the PAGA Settlement Amount will be included in the Net Settlement Amount.

17 14. “Net Settlement Amount” means the portion of the Class Settlement Amount remaining
18 after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the
19 LWDA Payment, and Settlement Administration Costs. The Net Settlement Amount will be distributed
20 to Participating Class Members. There will be no reversion of the Net Settlement Amount to
21 Defendants.

22 15. “Notice of Objection” means a Class Member’s valid and timely written objection to the
23 Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector’s full
24 name, signature, address, and telephone number, (ii) a written statement of all grounds for the objection
25 accompanied by any legal support for such objection; (iii) copies of any papers, briefs, or other
26 documents upon which the objection is based; and (iv) a statement whether the objector intends to appear
27 at the Fairness Hearing. Any Class Member who does not submit a timely written objection to the
28 Settlement, or who fails to otherwise comply with the specific and technical requirements of this section,

1 will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the
2 Settlement, by appeal or otherwise. Class Members who submit Notices of Objection must make
3 themselves available for deposition.

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

6 17. "Parties" means Plaintiffs and Defendants collectively.

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

9 19. "Plaintiffs" means Plaintiffs Robert Onofre and Miguel Zaldivar Avila.

10 20. "Preliminary Approval" means the Court order granting preliminary approval of the
11 Settlement Agreement.

12 21. "Released Claims" means: (1) for all Class Members, all claims, rights, demands,
13 liabilities, and causes of action, whether known or unknown, arising from, or related to, the same set of
14 operative facts as those set forth in the operative complaints in the Actions that accrued during the Class
15 Period, including (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii)
16 all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon
17 termination; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for the
18 failure to reimburse for necessary business expenses; and (vii) all claims asserted through California
19 Business & Professions Code §§ 17200, *et seq.*, and California Labor Code §§ 2698, *et seq.* based on the
20 preceding claims ("Released Class Claims"); and (2) for all Wage Statement Class Members, all claims,
21 rights, demands, liabilities, and causes of action, whether known or unknown, arising from, or related to,
22 the allegation that Defendant issued non-compliant wage statements during the Wage Statement Class
23 Period, including all claims asserted through California Business & Professions Code §§ 17200, *et seq.*,
24 and California Labor Code §§ 2698, *et seq.* based on the allegation that Defendant issued non-compliant
25 wage statements ("Released Wage Statement Claims").

26 22. "Released Parties" means Defendants; their past or present officers, directors,
27 shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants,
28 insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries,

1 affiliates, parents and attorneys, if any.

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

8 24. "Response Deadline" means the deadline by which Class Members must postmark or
9 fax to the Settlement Administrator Requests for Exclusion, or postmark Notices of Objection to the
10 Settlement Administrator. The Response Deadline will be thirty (30) calendar days from the initial
11 mailing of the Notice Packet by the Settlement Administrator, unless the thirtieth (30th) calendar day
12 falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day
13 on which the U.S. Postal Service is open.

14 25. "Settlement Administration Costs" means the costs payable from the Class Settlement
15 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
16 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Class
17 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
18 Settlement Administration Costs will be paid from the Class Settlement Amount, including, if necessary,
19 any such costs in excess of the amount represented by the Settlement Administrator as being the
20 maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of
21 approximately Three Hundred and Fifty (350) Class Members, the Settlement Administration Costs are
22 currently estimated to be Fifteen Thousand Dollars (\$15,000).

23 26. "Settlement Administrator" means __, or any other third-party class action settlement
24 administrator agreed to by the Parties and approved by the Court for the purposes of administering this
25 Settlement. The Parties each represent that they do not have any financial interest in the Settlement
26 Administrator or otherwise have a relationship with the Settlement Administrator that could create a
27 conflict of interest.

28 27. "Wage Statement Class Members" means all persons who were employed by

1 Defendants in non-exempt positions in the State of California at any time during the period from June
2 30, 2015 to September 30, 2016.

3 28. "Wage Statement Class Period" means the period from June 30, 2015 to September 30,
4 2016.

5 29. "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.

8 **TERMS OF AGREEMENT**

9 The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendants agree as
10 follows:

11 30. Funding of the Class Settlement Amount. Defendants will make a one-time deposit of
12 the Class Settlement Amount of One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000) into a
13 Qualified Settlement Account to be established by the Settlement Administrator. Defendants will pay
14 the employer's share of payroll taxes separately. After the Effective Date, the Class Settlement Amount
15 will be used for: (i) Individual Settlement Payments; (ii) the LWDA Payment; (iii) the Class
16 Representative Enhancement Payments; (iv) Attorneys' Fees and Costs; and (v) Settlement
17 Administration Costs. Defendants will deposit the Class Settlement Amount and the employer's share of
18 payroll taxes within ten (10) calendar days of the Effective Date.

19 31. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application
20 or motion by Class Counsel for Attorneys' Fees and Costs of not more than Six Hundred Sixteen
21 Thousand Six Hundred Sixty Seven Dollars (\$616,667), plus the reimbursement of costs and expenses
22 associated with Class Counsel's litigation and settlement of the Actions, not to exceed Fifty Thousand
23 Dollars (\$50,000), both of which will be paid from the Class Settlement Amount. Class Counsel will
24 divide any fee award as follows: Sixty-Five Percent (65%) to Capstone Law APC and Thirty-Five
25 Percent (35%) to James W. Hawkins, APLC.

26 32. Class Representative Enhancement Payments. In exchange for a general release, and in
27 recognition of their effort and work in prosecuting the Actions on behalf of Class Members, Defendants
28 agree not to oppose or impede any application or motion for Class Representative Enhancement

1 Payments of Seven Thousand Five Hundred Dollars (\$7,500), each, to Plaintiffs. The Class
2 Representative Enhancement Payments will be paid from the Class Settlement Amount and will be in
3 addition to Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement. Plaintiffs will be
4 solely and legally responsible to pay any and all applicable taxes on the Class Representative
5 Enhancement Payment.

6 33. Settlement Administration Costs. The Settlement Administrator will be paid for the
7 reasonable costs of administration of the Settlement and distribution of payments from the Class
8 Settlement Amount, which is currently estimated to be Fifteen Thousand Dollars (\$15,000). These costs,
9 which will be paid from the Class Settlement Amount, will include, *inter alia*, the required tax reporting
10 on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Notice
11 Packets, calculating and distributing the Class Settlement Amount, and providing necessary reports and
12 declarations.

13 34. LWDA Payment. Subject to Court approval, the Parties agree that the amount of Fifty
14 Thousand Dollars (\$50,000) from the Class Settlement Amount will be designated for satisfaction of
15 Plaintiffs' and Class Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or
16 Thirty Seven Thousand Five Hundred Dollars (\$37,500), of this sum will be paid to the LWDA and
17 Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars (\$12,500), will become part of
18 the Net Settlement Amount.

19 35. Net Settlement Amount. The entire Net Settlement Amount will be distributed to
20 Participating Class Members. No portion of the Net Settlement Amount will revert or be retained by
21 Defendants.

22 36. Individual Settlement Payment Calculations. Individual Settlement Payments will be
23 calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class
24 Member worked during the Class Period. Eighty Percent (80%) of the Net Settlement Amount will be
25 allocated to all Class Members (the "Class Member Fund"), and (2) Twenty Percent (20%) of the Net
26 Settlement Amount will be allocated to all Wage Statement Class Members (the "Wage Statement
27 Fund"). Each Class Member's respective shares of the Class Member Fund and Wage Statement Fund
28 will be allocated on a pro-rata basis according to the number of Workweeks worked by each Class

1 Member.

2 36(a) Class Member Fund: The Settlement Administrator will calculate the total
3 number of Workweeks worked by all Class Members during the Class Period. To
4 determine each Class Member's share of the Class Member Fund, the Settlement
5 Administrator will use the following formula: $\text{Share of Class Member Fund} = \frac{\text{Weeks Worked by Class Member}}{\text{Weeks Worked by All Class Members}} \times \text{Class Member}$
6 Fund. The entire Class Member Fund will be disbursed to all Class Members who do
7 not submit timely and valid Requests for Exclusion. If there are any valid and timely
8 Requests for Exclusion, the Settlement Administrator shall proportionately increase each
9 Participating Class Member's share of the Class Members Fund to ensure that the entire
10 Class Member Fund is distributing to Participating Class Members.

11 36(b) Wage Statement Fund: The Settlement Administrator will calculate the
12 total number of Workweeks worked by all Wage Statement Class Members during the
13 Wage Statement Class Period. To determine each Wage Statement Class Member's
14 share of the Wage Statement Fund, the Settlement Administrator will use the following
15 formula: $\text{Share of Wage Statement Fund} = \frac{\text{Weeks Worked by Wage Statement Class}}{\text{Weeks Worked by All Wage Statement Class Members}} \times \text{Wage Statement}$
16 Fund. If there are any valid and timely Requests for Exclusion, the Settlement
17 Administrator shall proportionately increase each Participating Wage Statement Class
18 Member's share of the Wage Statement Fund to ensure that the entire Wage Statement
19 Fund is distributing to Participating Wage Statement Class Members.

20 37. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
21 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
22 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any
23 Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
24 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
25 Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions,
26 or amounts to which any Class Members may be entitled under any benefit plans.
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1 38. Administration Process. The Parties agree to cooperate in the administration of the
2 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
3 administration of the Settlement.

4 39. Delivery of the Class List. Within twenty (20) calendar days of Preliminary Approval,
5 Defendants will provide the Class List to the Settlement Administrator and to Class Counsel.

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

10 41. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
11 Administrator will perform a search based on the National Change of Address Database for information
12 to update and correct for any known or identifiable address changes. Any Notice Packets returned to the
13 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly
14 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
15 Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is
16 provided, the Settlement Administrator will promptly attempt to determine the correct address using a
17 skip-trace, or other search using the name, address and/or Social Security number of the Class Member
18 involved, and will then perform a single re-mailing.

19 42. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet
20 will provide: (i) information regarding the nature of the Actions; (ii) a summary of the Settlement's
21 principal terms; (iii) the Settlement Class definition; (iv) the total number of Workweeks each respective
22 Class Member worked for Defendants during the Class Period; (v) each Class Member's estimated
23 Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) the
24 dates which comprise the Class Period; (vii) instructions on how to submit Requests for Exclusion or
25 Notices of Objection; (viii) the deadlines by which the Class Member must postmark or fax Request for
26 Exclusions, or postmark Notices of Objection to the Settlement; and (ix) the claims to be released.

27 43. Disputed Information on Notice Packets. Class Members will have an opportunity to
28 dispute the information provided in their Notice Packets. To the extent Class Members dispute their

1 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
2 Settlement Administrator showing that such information is inaccurate. The Settlement Administrator
3 will decide the dispute. Defendants' records will be presumed correct, but the Settlement Administrator
4 will evaluate the evidence submitted by the Class Member and will make the final decision as to the
5 merits of the dispute. All disputes will be decided within ten (10) business days of the Response
6 Deadline.

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

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

20 46. Settlement Class Size. The Class Settlement Amount was calculated with, and is
21 premised on, the understanding that there are approximately Three Hundred and Fifty (350) Class
22 Members eligible to participate in the Settlement. If the number of Class Members stated in this
23 paragraph increases by more than ten percent (10%), then the Net Settlement Amount will be increased
24 by the same proportion.

25 47. Released Claims as of the Effective Date. On the Effective Date, all Participating Class
26 Members will release the Released Class Claims that accrued during the Class Period, and all
27 Participating Wage Statement Class Members will release the Released Wage Statement Claims that
28 accrued during the Wage Statement Class Period.

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

6 49. Objection Procedures. To object to the Settlement Agreement, a Class Member must
7 postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
8 Deadline. The Notice of Objection must be signed by the Class Member and contain all information
9 required by this Settlement Agreement. The postmark will be deemed the exclusive means for
10 determining that the Notice of Objection is timely. Class Members who fail to object in the manner
11 specified above will be deemed to have waived all objections to the Settlement and will be foreclosed
12 from making any objections, whether by appeal or otherwise, to the Settlement Agreement. Class
13 Members who postmark timely Notices of Objection will have a right to appear at the Final Approval
14 Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their
15 counsel seek to solicit or otherwise encourage Class Members to submit written objections to the
16 Settlement Agreement or appeal from the Order and Judgment. Class Counsel will not represent any
17 Class Members with respect to any such objections to this Settlement.

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

25 51. Distribution Timing of Individual Settlement Payments. Within twenty (20) calendar
26 days of the Effective Date, the Settlement Administrator will issue payments to: (i) Participating Class
27 Members; (ii) the Labor and Workforce Development Agency; (iii) Plaintiffs; and (iv) Class Counsel.
28 The Settlement Administrator will also issue a payment to itself for Court-approved services performed

1 in connection with the Settlement.

2 52. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment
3 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for
4 more than one hundred and twenty (120) calendar days after issuance will be tendered to the California
5 Department of Industrial Relations Unpaid Wage Fund (*see* Cal. Lab. Code § 96.6).

6 53. Certification of Completion. Upon completion of administration of the Settlement, the
7 Settlement Administrator will provide a written declaration under oath to certify such completion to the
8 Court and counsel for all Parties.

9 54. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
10 be allocated as follows: (i) Twenty-Five Percent (25%) of each Individual Settlement Payment will be
11 allocated as wages for which IRS Forms W-2 will be issued; and (ii) Seventy-Five (75%) will be
12 allocated as non-wages for which IRS Forms 1099-MISC will be issued.

13 55. Administration of Taxes by the Settlement Administrator. The Settlement
14 Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, and Class
15 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
16 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
17 and penalties to the appropriate government authorities.

18 56. Tax Liability. Defendants make no representation as to the tax treatment or legal effect
19 of the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on
20 any statement, representation, or calculation by Defendants or by the Settlement Administrator in this
21 regard.

22 57. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
23 OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
24 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
25 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
26 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
27 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
28 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED

1 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
2 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
3 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
4 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
5 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
6 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
7 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
8 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
9 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
10 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
11 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
12 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER
13 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
14 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
15 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
16 AGREEMENT.

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

21 59. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally
22 approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other
23 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
24 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
25 likewise be treated as void from the beginning.

26 60. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to
27 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval
28 Order for: (i) conditional certification of the Settlement Class for settlement purposes only, (ii)

1 preliminary approval of the proposed Settlement Agreement, (iii) setting a date for a Final
2 Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice
3 Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary
4 Approval hearing, Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this
5 Settlement, and will include the proposed Notice Packet, which will include both the proposed Notice of
6 Class Action Settlement document, attached as Exhibit A. Class Counsel will be responsible for drafting
7 all documents necessary to obtain preliminary approval.

8 61. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
9 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
10 Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the
11 Final Approval of the Settlement Agreement along with the amounts properly payable for: (i) Attorneys'
12 Fees and Costs; (ii) the Class Representative Enhancement Payment; (iii) Individual Settlement
13 Payments; (iv) the LWDA Payment; (v) all Settlement Administration Costs. The Final
14 Approval/Settlement Fairness Hearing will not be held earlier than thirty (30) calendar days after the
15 Response Deadline. Class Counsel will be responsible for drafting all documents necessary to obtain
16 final approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs
17 application to be heard at the final approval hearing.

18 62. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
19 Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to
20 the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely
21 for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii)
22 Settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under
23 court rules or as set forth in this Settlement Agreement.

24 63. Release by Plaintiffs. Upon the Effective Date, in addition to the claims being released
25 by all Participating Class Members, Plaintiffs will release and forever discharge the Released Parties, to
26 the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and
27 not asserted, which Plaintiffs have or may have against the Released Parties as of the date of execution of
28 this Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the

1 California Civil Code or similar provisions of other applicable law may apply, Plaintiffs expressly waive
2 any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California
3 Civil Code or similar provisions of applicable law which are as follows:

4 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
5 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
6 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN
7 BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER
8 SETTLEMENT WITH THE DEBTOR.

9 64. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include
10 the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set
11 forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

12 65. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
13 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
14 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
15 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
16 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
17 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
18 contradict the terms of this Settlement Agreement.

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

21 67. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
22 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
23 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
24 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
25 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with
26 each other and use their best efforts to effect the implementation of the Settlement. If the Parties are
27 unable to reach agreement on the form or content of any document needed to implement the Settlement,
28 or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement,

1 the Parties may seek the assistance of the Court to resolve such disagreement.

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

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

6 70. Execution and Counterparts. This Settlement Agreement is subject only to the execution
7 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
8 executed counterparts and each of them, including facsimile and scanned copies of the signature page,
9 will be deemed to be one and the same instrument provided that counsel for the Parties will exchange
10 among themselves original signed counterparts.

11 71. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
12 Settlement Agreement is a fair, adequate and reasonable settlement of the Actions and have arrived at
13 this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into
14 account all relevant factors, present and potential. The Parties further acknowledge that they are each
15 represented by competent counsel and that they have had an opportunity to consult with their counsel
16 regarding the fairness and reasonableness of this Settlement.

17 72. Invalidity of Any Provision. Before declaring any provision of this Settlement
18 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
19 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
20 valid and enforceable.

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

25 74. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate
26 to class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
27 approved, the stipulation to certification will be void. The Parties further agree that certification for
28 purposes of the Settlement is not an admission that class action certification is proper under the standards

1 applied to contested certification motions and that this Settlement Agreement will not be admissible in
2 this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendants
3 are liable to Plaintiffs or any Class Member, other than according to the Settlement's terms.

4 75. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
5 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
6 entering into this Settlement, Defendants do not admit, and specifically deny, that it violated any federal,
7 state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other
8 applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty;
9 engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to
10 their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the
11 negotiations connected with it, will be construed as an admission or concession by Defendants of any
12 such violations or failures to comply with any applicable law. Except as necessary in a proceeding to
13 enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be
14 offered or received as evidence in any action or proceeding to establish any liability or admission on the
15 part of Defendants or to establish the existence of any condition constituting a violation of, or a non-
16 compliance with, federal, state, local or other applicable law.

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

20 77. Waiver. No waiver of any condition or covenant contained in this Settlement
21 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to
22 imply or constitute a further waiver by such party of the same or any other condition, covenant, right or
23 remedy.

24 78. Enforcement Actions. In the event that one or more of the Parties institutes any legal
25 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
26 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
27 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
28 expert witness fees incurred in connection with any enforcement actions.

79. 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.

80. 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, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

82. 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.

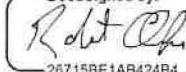
83. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any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

READ CAREFULLY BEFORE SIGNING

Dated: 1/7/2019

PLAINTIFF

DocuSigned by:



26715BE1AB424B4

Robert Onofre

PLAINTIFF

Dated: _____

Miguel Zaldivar Avila

DEFENDANTS ANAHEIM MAJESTIC
GARDEN HOTEL, PHR MANAGEMENT,
INC., AND KEN REAL ESTATE LEASE LTD.

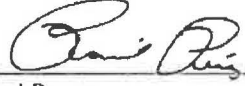
Dated: 1/4/2019


Please Print Name of Authorized Signatory
KEN YANAGISAWA

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: January 23, 2019

By: 
Raul Perez
Attorneys for Plaintiff Robert Onofre

JAMES W. HAWKINS, APLC

Dated: January 02, 2019

By: 
James W. Hawkins
Attorneys for Plaintiff Miguel Zaldivar Avila

ZUBER LAWLER & DEL DUCA LLP

Dated: 1/9/19

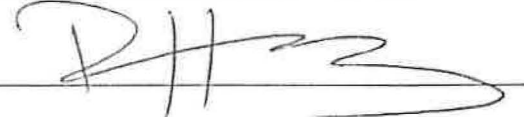
By: 
Attorneys for Defendants Anaheim Majestic Garden
Hotel, PHR Management, Inc., and Ken Real Estate
Lease Ltd.

Exhibit A

Onofre v. Anaheim Majestic Garden Hotel, No. 30-2016-00861544-CU-OE-CXC (Orange County Superior Court)
Avila v. Anaheim Majestic Garden Hotel, No. 30-2016-00871797-CU-OE-CXC (Orange County Superior Court)
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF ORANGE
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 by Defendants Anaheim Majestic Garden Hotel, PHR Management, Inc., and Ken Real Estate Lease Ltd. (“Defendants”) in non-exempt positions in the State of California at any time during the period from August 26, 2012 to October 15, 2018 (“Class Members”), and

All persons who were employed by Defendants in non-exempt positions in the State of California at any time during the period from June 30, 2015 to September 30, 2016 (“Wage Statement Class Members”)

On _____, the Honorable Peter Wilson of the Orange 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.**

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 Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at ____:00 __.m. on _____, 2019 in Department CX102 of the Orange County Superior Court located at 751 W Santa Ana Blvd, Santa Ana, CA 92701. You are not required to attend the Hearing, but you are welcome to do so.

Summary of the Litigation

Plaintiffs Robert Onofre and Miguel Zaldivar, on their behalf and on behalf of other current and former non-exempt employees, allege 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) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse for necessary business expenses; and (5) provide employees with accurate, itemized wage statements.

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. The parties participated in a mediation with Jeffrey A. Ross, an experienced and well-respected class action mediator. With Jeffrey A. Ross’s guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC and James W. Hawkins APLC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the law applicable. 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.

Defendants have denied, and continue to deny the factual and legal allegations in the case and believe that they have valid defenses to Plaintiffs’ 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. Defendants have agreed to settle the case as part of a compromise with Plaintiffs.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendants have agreed to settle the underlying class claims in exchange for a Class Settlement Amount of \$1,850,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Class

Representative Enhancement Payments of \$7,500, each, to Robert Onofre and Miguel Zaldivar for their services on behalf of the class and general releases of all claims arising out of their employment with Defendants; (3) \$616,667 in attorneys' fees and up to \$50,000 in litigation costs and expenses; (4) a \$37,500 payment to the California Labor and Workforce Development Agency ("LWDA") in connection and accordance with the Labor Code Private Attorneys General Act of 2004 ("PAGA"), and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$15,000. After deducting the Class Representative Enhancement Payments, attorneys' fees and costs, the payment to the LWDA, and the Settlement Administrator's fees and expenses, a total of approximately \$1,115,833 will be allocated to Class Members who do not opt out of the settlement ("Net Settlement Amount").

Individual Settlement Payment Calculations. Each Class Member's settlement payment will be based on the number of Workweeks each Class Member/Wage Statement Class Member worked in a non-exempt position during the applicable Class Period (August 26, 2012 through October 15, 2018) and Wage Statement Class Period (June 30, 2015 to September 30, 2016). Eighty Percent (80%) of the Net Settlement Amount will be allocated to all Class Members (the "Class Member Fund"), and (2) Twenty Percent (20%) of the Net Settlement Amount will be allocated to all Wage Statement Class Members (the "Wage Statement Fund"). Each Class Member's respective shares of the Class Member Fund and Wage Statement Fund will be allocated on a pro-rata basis according to the number of Workweeks worked by each Class Member.

Class Member Fund: The Settlement Administrator will calculate the total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's share of the Class Member Fund, the Settlement Administrator will use the following formula: $\text{Share of Class Member Fund} = \text{Weeks Worked by Class Member} \div \text{Weeks Worked by All Class Members} \times \text{Class Member Fund}$. The entire Class Member 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 each Participating Class Member's share of the Class Members Fund to ensure that the entire Class Member Fund is distributing to Participating Class Members.

Wage Statement Fund: The Settlement Administrator will calculate the total number of Workweeks worked by all Wage Statement Class Members during the Wage Statement Class Period. To determine each Wage Statement Class Member's share of the Wage Statement Fund, the Settlement Administrator will use the following formula: $\text{Share of Wage Statement Fund} = \text{Weeks Worked by Wage Statement Class Member} \div \text{Weeks Worked by All Wage Statement Class Members} \times \text{Wage Statement Fund}$. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Wage Statement Class Member's share of the Wage Statement Fund to ensure that the entire Wage Statement Fund is distributing to Participating Wage Statement Class Members.

According to Defendants' records, you worked during a total of _____ Workweeks during the Class Period and _____ during the Wage Statement Class Period. Accordingly, your estimated payment is approximately \$_____ from the Class Fund and \$_____ from the Wage Statement Fund. If you believe the information provided above is incorrect, please contact the Settlement Administrator at _____. If you dispute the information stated above, Defendants's records will control unless you are able to provide documentation that establishes otherwise.

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, 80% of each Individual Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued, and 20% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

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

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, you will be deemed to have released or waived the following claims (“Released Claims”):

For all Class Members, all claims, rights, demands, liabilities, and causes of action, whether known or unknown, arising from, or related to, the same set of operative facts as those set forth in the operative complaints in the Actions that accrued during the Class Period, including (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon termination; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for the failure to reimburse for necessary business expenses; and (vii) all claims asserted through California Business & Professions Code §§ 17200, et seq., and California Labor Code §§ 2698, et seq. based on the preceding claims (“Released Class Claims”); and

For all Wage Statement Class Members, all claims, rights, demands, liabilities, and causes of action, whether known or unknown, arising from, or related to, the allegation that Defendant issued non-compliant wage statements during the Wage Statement Class Period, including all claims asserted through California Business & Professions Code §§ 17200, et seq., and California Labor Code §§ 2698, et seq. based on the allegation that Defendant issued non-compliant wage statements (“Released Wage Statement Claims”).

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 the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

The written request to be excluded must be postmarked or faxed not later than _____, 2019. If you submit a request for exclusion which is not postmarked or faxed by _____, 2019, 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 (1) be barred from participating in the settlement, but you will not be deemed to have released the Released Claims, (2) be barred from filing an objection to the settlement, and (3) not receive a payment from the settlement.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you must submit an objection stating why you object to the settlement. Your objection 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 to the administrator at [administrator’s address].

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

All objections must be received by the administrator by not later than _____ 2019. Late objections will not be considered. 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 Approval Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Orange 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 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: (888) 295-8042

James W. Hawkins
James Hawkins APLC
9880 Research Dr. Ste 200
Irvine, CA 92618
Phone: Number

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

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

ROBERT ONOFRE, as an aggrieved employee
pursuant to the Private Attorneys General Act
("PAGA"),

Plaintiffs,

vs.

ANAHEIM MAJESTIC GARDEN HOTEL, a
California corporation; PHR MANAGEMENT,
INC., a California corporation; KEN REAL
ESTATE LEASE LTD., a business entity of
unknown form; and DOES 1 through 10,
inclusive,

Defendants.

MIGUEL ZALDIVAR AVILA, individually
and on behalf of all others similarly situated,

Plaintiffs,

vs.

ANAHEIM MAJESTIC GARDEN HOTEL,
business form unknown; TSUBAKI HOTEL
COLLECTION, business form unknown, and
DOES 1-50, inclusive,

Defendants.

Case No.: 30-2016-00861544-CU-OE-CXC

**REVISED AMENDMENT TO JOINT
STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE**

Date: June 13, 2019
Time: 2:00 p.m.
Place: Department CX102

REVISED AMENDMENT TO JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

This Amendment (“Amendment”) to the Joint Stipulation of Class Action Settlement and Release (“Settlement Agreement”) is made and entered into by and between Plaintiffs Robert Onofre and Miguel Zaldivar, as individuals and on behalf of the proposed Settlement Class, and Defendants Anaheim Majestic Garden Hotel, PHR Management, Inc., and Ken Real Estate Lease Ltd. (“Defendants”) (collectively with Plaintiffs, the “Parties”) (collectively with Plaintiff, the “Parties”), pursuant to Paragraph 66 of the Settlement Agreement, which provides: “No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel.” This Amendment incorporates by reference all terms and conditions of the Settlement Agreement. But for those specific terms and conditions that this Amendment modifies, all Settlement terms and conditions will remain effective and enforceable. Any inconsistencies or differences between this Amendment and the Settlement will be interpreted and construed in favor of this Amendment.

AMENDED TERMS

1. “Amended Notice of Class Action Settlement” means the Notice of Class Action Settlement (“Class Notice”), substantially in the form attached as Exhibit A, that will be mailed to all Class Members.

2. “Notice of Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector’s full name, signature, address, and telephone number, (ii) a written statement of all grounds for the objection accompanied by any legal support for such objection; (iii) copies of any papers, briefs, or other documents upon which the objection is based; and (iv) a statement whether the objector intends to appear at the Fairness Hearing. ~~Any Class Member who does not submit a timely written objection to the Settlement, or who fails to otherwise comply with the specific and technical requirements of this section, will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the Settlement, by appeal or otherwise. Class Members who submit Notices of Objection must make themselves available for deposition.~~

3. “Request for Exclusion” means the form attached as Exhibit B that Class Members must postmark to the Settlement Administrator on or before the Response Deadline to opt out of the

1 Settlement Class.

2 4. "Response Deadline" means the deadline by which Class Members must postmark or
3 fax to the Settlement Administrator Requests for Exclusion, or postmark Notices of Objection to the
4 Settlement Administrator. The Response Deadline will be forty-five (45) calendar days from the initial
5 mailing of the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day
6 falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day
7 on which the U.S. Postal Service is open.

8 5. "Settlement Administrator" means ILYM Group, Inc., or any other third-party class
9 action settlement administrator agreed to by the Parties and approved by the Court for the purposes of
10 administering this Settlement. The Parties each represent that they do not have any financial interest in
11 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
12 could create a conflict of interest.

13 6. All Individual Settlement Payments will be allocated as follows: (i) Twenty-Five
14 Percent (25%) of each Individual Settlement Payment will be allocated as wages for which IRS Forms
15 W-2 will be issued; and (ii) Seventy-Five (75%) will be allocated as non-wages for which IRS Forms
16 1099-MISC will be issued.

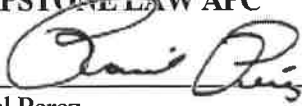
17 7. Prior to mailing the Class Notices, the Settlement Administrator will perform a search
18 based on the National Change of Address Database for information to update and correct for any known
19 or identifiable address changes. Any Class Notices returned to the Settlement Administrator as non-
20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

28 8. Funds represented by Individual Settlement Payment checks returned as undeliverable

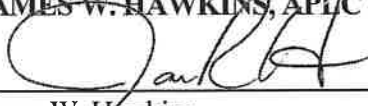
1 and Individual Settlement Payment checks remaining un-cashed for more than one hundred and twenty
2 (120) calendar days after issuance will be tendered to the State Controller's Office, Unclaimed Property
3 Division.

4 **IT IS SO STIPULATED.**

5
6
7 Dated: June 6, 2019

8 **CAPSTONE LAW APC**
9 By: 
10 Raul Perez
11 Attorneys for Plaintiff Robert Onofre

12 Dated: June 05, 2019

13 **JAMES W. HAWKINS, APC**
14 By: 
15 James W. Hawkins
16 Attorneys for Plaintiff Miguel Zaldivar Avila

17 Dated: _____

18 **ZUBER LAWLER & DEL DUCA LLP**
19 By: _____
20 Agnès M. Sullivan
21 Attorneys for Defendants Anaheim Majestic Garden
22 Hotel, PHR Management, Inc., and Ken Real Estate
23 Lease Ltd.
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1 and Individual Settlement Payment checks remaining un-cashed for more than one hundred and twenty
2 (120) calendar days after issuance will be tendered to the State Controller's Office, Unclaimed Property
3 Division.

4 **IT IS SO STIPULATED.**

6 **CAPSTONE LAW APC**

7 Dated: _____

7 By: _____

8 Raul Perez
9 Attorneys for Plaintiff Robert Onofre

10 **JAMES W. HAWKINS, APLC**

11 Dated: _____

11 By: _____

12 James W. Hawkins
13 Attorneys for Plaintiff Miguel Zaldivar Avila

13 **ZUBER LAWLER & DEL DUCA LLP**

14 Dated: _____

14 By:  _____

15 Agnès M. Sullivan
16 Attorneys for Defendants Anaheim Majestic Garden
17 Hotel, PHR Management, Inc., and Ken Real Estate
18 Lease Ltd.
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Exhibit A

Onofre v. Anaheim Majestic Garden Hotel, No. 30-2016-00861544-CU-OE-CXC (Orange County Superior Court)
Avila v. Anaheim Majestic Garden Hotel, No. 30-2016-00871797-CU-OE-CXC (Orange County Superior Court)
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF ORANGE
NOTICE OF CLASS ACTION SETTLEMENT

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

Si desea una traducción al Español de este Aviso, por favor llame al administrador al *-***-******

To: All persons who were employed by Defendants Anaheim Majestic Garden Hotel, PHR Management, Inc., and Ken Real Estate Lease Ltd. (“Defendants”) in non-exempt positions in the State of California at any time during the period from August 26, 2012 to October 15, 2018 (“Class Members”), and

All persons who were employed by Defendants in non-exempt positions in the State of California at any time during the period from June 30, 2015 to September 30, 2016 (“Wage Statement Class Members”)

On _____, the Honorable Peter Wilson of the Orange 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.**

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 Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at :00 _m. on _____, 2019 in Department CX102 of the Orange County Superior Court located at 751 W Santa Ana Blvd, Santa Ana, CA 92701. You are not required to attend the Hearing, but you are welcome to do so.

Summary of the Litigation

Plaintiffs Robert Onofre and Miguel Zaldivar, on their behalf and on behalf of other current and former non-exempt employees, allege 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) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse for necessary business expenses; and (5) provide employees with accurate, itemized wage statements.

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. The parties participated in a mediation with Jeffrey A. Ross, an experienced and well-respected class action mediator. With Jeffrey A. Ross’s guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC and James W. Hawkins APLC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the law applicable. 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.

Defendants have denied, and continue to deny the factual and legal allegations in the case and believe that they have valid defenses to Plaintiffs’ 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. Defendants have agreed to settle the case as part of a compromise with Plaintiffs.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendants have agreed to settle the underlying class claims in exchange for a Class Settlement Amount of \$1,850,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Class Representative Enhancement Payments of up to \$7,500, each, to Robert Onofre and Miguel Zaldivar for their services on behalf of the class and general releases of all claims arising out of their employment with Defendants; (3) up to \$616,667 in attorneys' fees and up to \$50,000 in litigation costs and expenses; (4) up to \$37,500 ~~payment~~ to the California Labor and Workforce Development Agency ("LWDA") in connection and accordance with the Labor Code Private Attorneys General Act of 2004 ("PAGA"), and (5) reasonable Settlement Administrator's fees and expenses ~~currently estimated at of~~ up to \$15,000. After deducting the Class Representative Enhancement Payments, attorneys' fees and costs, the payment to the LWDA, and the Settlement Administrator's fees and expenses, a total of approximately \$1,115,833 will be allocated to Class Members who do not opt out of the settlement ("Net Settlement Amount").

Individual Settlement Payment Calculations. Each Class Member's settlement payment will be based on the number of Workweeks each Class Member/Wage Statement Class Member worked in a non-exempt position during the applicable Class Period (August 26, 2012 through October 15, 2018) and Wage Statement Class Period (June 30, 2015 to September 30, 2016). Eighty Percent (80%) of the Net Settlement Amount will be allocated to all Class Members (the "Class Member Fund"), and (2) Twenty Percent (20%) of the Net Settlement Amount will be allocated to all Wage Statement Class Members (the "Wage Statement Fund"). Each Class Member's respective shares of the Class Member Fund and Wage Statement Fund will be allocated on a pro-rata basis according to the number of Workweeks worked by each Class Member.

Class Member Fund: The Settlement Administrator will calculate the total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's share of the Class Member Fund, the Settlement Administrator will use the following formula: $\text{Share of Class Member Fund} = \frac{\text{Weeks Worked by Class Member}}{\text{Weeks Worked by All Class Members}} \times \text{Class Member Fund}$. The entire Class Member 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 each Participating Class Member's share of the Class Members Fund to ensure that the entire Class Member Fund is distributing to Participating Class Members.

Wage Statement Fund: The Settlement Administrator will calculate the total number of Workweeks worked by all Wage Statement Class Members during the Wage Statement Class Period. To determine each Wage Statement Class Member's share of the Wage Statement Fund, the Settlement Administrator will use the following formula: $\text{Share of Wage Statement Fund} = \frac{\text{Weeks Worked by Wage Statement Class Member}}{\text{Weeks Worked by All Wage Statement Class Members}} \times \text{Wage Statement Fund}$. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Wage Statement Class Member's share of the Wage Statement Fund to ensure that the entire Wage Statement Fund is distributing to Participating Wage Statement Class Members.

According to Defendants' records, you worked during a total of _____ Workweeks during the Class Period and _____ during the Wage Statement Class Period. Accordingly, your estimated payment is approximately \$ _____ from the Class Fund and \$ _____ from the Wage Statement Fund. If you believe the information provided above is incorrect, please contact the Settlement Administrator at _____. If you dispute the information stated above, Defendants's records will control unless you are able to provide documentation that establishes otherwise.

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, ~~80~~82.5% of each

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

Individual Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued, and 2075% 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, you will be deemed to have released or waived the following claims (“Released Claims”):

For all Class Members, all claims, rights, demands, liabilities, and causes of action, whether known or unknown, arising from, or related to, the same set of operative facts as those set forth in the operative complaints in the Actions that accrued during the Class Period, including (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon termination; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for the failure to reimburse for necessary business expenses; and (vii) all claims asserted through California Business & Professions Code §§ 17200, et seq., and California Labor Code §§ 2698, et seq. based on the preceding claims (“Released Class Claims”); and

For all Wage Statement Class Members, all claims, rights, demands, liabilities, and causes of action, whether known or unknown, arising from, or related to, the allegation that Defendant issued non-compliant wage statements during the Wage Statement Class Period, including all claims asserted through California Business & Professions Code §§ 17200, et seq., and California Labor Code §§ 2698, et seq. based on the allegation that Defendant issued non-compliant wage statements (“Released Wage Statement Claims”).

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 the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Attn: Anaheim Majestic Class Action Settlement

Settlement Administrator

_____/c/o _____ ILYM Group, Inc.

P.O. Box 2031 Tustin, CA 92781

The written request to be excluded must be postmarked or faxed not later than _____, 2019. If you submit a request for exclusion which is not postmarked or faxed by _____, 2019, 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 (1) be barred from participating in the settlement, but you will not be deemed to have released the Released Claims, (2) be barred from filing an objection to the settlement, and (3) not receive a payment from the settlement.

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

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you must submit an objection stating why you object to the settlement. Your objection 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 to the administrator at [administrator's address].

All objections must be received by the administrator by not later than _____ 2019. Late objections will not be considered. 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 Approval Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Orange 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 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.

ALL PAPERS FILED IN THIS MATTER WILL BE AVAILABLE FOR REVIEW VIA THE COURTHOUSE AND VIA THE CIVIL CASE INFORMATION WEBSITE FOR THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE, AVAILABLE ONLINE AT WWW.OCCOURTS.ORG/ONLINE-SERVICES/CASE-ACCESS/, BY CLICKING ON "ACCESS NOW" NEXT TO CIVIL CASE & DOCUMENT ACCESS.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: (888) 295-8042

James W. Hawkins
James Hawkins APLC
9880 Research Dr. Ste 200
Irvine, CA 92618
Phone: ~~Number~~ (949) 387-7200

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

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

Onofre v. Anaheim Majestic Garden Hotel, No. 30-2016-00861544-CU-OE-CXC (Orange County Superior Court)
Avila v. Anaheim Majestic Garden Hotel, No. 30-2016-00871797-CU-OE-CXC (Orange County Superior Court)
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF ORANGE
NOTICE OF CLASS ACTION SETTLEMENT

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

Si desea una traducción al Español de este Aviso, por favor llame al administrador al ***--*******

To: All persons who were employed by Defendants Anaheim Majestic Garden Hotel, PHR Management, Inc., and Ken Real Estate Lease Ltd. (“Defendants”) in non-exempt positions in the State of California at any time during the period from August 26, 2012 to October 15, 2018 (“Class Members”), and

All persons who were employed by Defendants in non-exempt positions in the State of California at any time during the period from June 30, 2015 to September 30, 2016 (“Wage Statement Class Members”)

On _____, the Honorable Peter Wilson of the Orange 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.**

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 Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at :00 _m. on _____, 2019 in Department CX102 of the Orange County Superior Court located at 751 W Santa Ana Blvd, Santa Ana, CA 92701. You are not required to attend the Hearing, but you are welcome to do so.

Summary of the Litigation

Plaintiffs Robert Onofre and Miguel Zaldivar, on their behalf and on behalf of other current and former non-exempt employees, allege 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) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse for necessary business expenses; and (5) provide employees with accurate, itemized wage statements.

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. The parties participated in a mediation with Jeffrey A. Ross, an experienced and well-respected class action mediator. With Jeffrey A. Ross’s guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC and James W. Hawkins APLC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the law applicable. 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.

Defendants have denied, and continue to deny the factual and legal allegations in the case and believe that they have valid defenses to Plaintiffs’ 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. Defendants have agreed to settle the case as part of a compromise with Plaintiffs.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendants have agreed to settle the underlying class claims in exchange for a Class Settlement Amount of \$1,850,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Class Representative Enhancement Payments of up to \$7,500, each, to Robert Onofre and Miguel Zaldivar for their services on behalf of the class and general releases of all claims arising out of their employment with Defendants; (3) up to \$616,667 in attorneys' fees and up to \$50,000 in litigation costs and expenses; (4) up to \$37,500 to the California Labor and Workforce Development Agency ("LWDA") in connection and accordance with the Labor Code Private Attorneys General Act of 2004 ("PAGA"), and (5) reasonable Settlement Administrator's fees and expenses of up to \$15,000. After deducting the Class Representative Enhancement Payments, attorneys' fees and costs, the payment to the LWDA, and the Settlement Administrator's fees and expenses, a total of approximately \$1,115,833 will be allocated to Class Members who do not opt out of the settlement ("Net Settlement Amount").

Individual Settlement Payment Calculations. Each Class Member's settlement payment will be based on the number of Workweeks each Class Member/Wage Statement Class Member worked in a non-exempt position during the applicable Class Period (August 26, 2012 through October 15, 2018) and Wage Statement Class Period (June 30, 2015 to September 30, 2016). Eighty Percent (80%) of the Net Settlement Amount will be allocated to all Class Members (the "Class Member Fund"), and (2) Twenty Percent (20%) of the Net Settlement Amount will be allocated to all Wage Statement Class Members (the "Wage Statement Fund"). Each Class Member's respective shares of the Class Member Fund and Wage Statement Fund will be allocated on a pro-rata basis according to the number of Workweeks worked by each Class Member.

Class Member Fund: The Settlement Administrator will calculate the total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's share of the Class Member Fund, the Settlement Administrator will use the following formula: $\text{Share of Class Member Fund} = \frac{\text{Weeks Worked by Class Member}}{\text{Weeks Worked by All Class Members}} \times \text{Class Member Fund}$. The entire Class Member 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 each Participating Class Member's share of the Class Members Fund to ensure that the entire Class Member Fund is distributing to Participating Class Members.

Wage Statement Fund: The Settlement Administrator will calculate the total number of Workweeks worked by all Wage Statement Class Members during the Wage Statement Class Period. To determine each Wage Statement Class Member's share of the Wage Statement Fund, the Settlement Administrator will use the following formula: $\text{Share of Wage Statement Fund} = \frac{\text{Weeks Worked by Wage Statement Class Member}}{\text{Weeks Worked by All Wage Statement Class Members}} \times \text{Wage Statement Fund}$. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Wage Statement Class Member's share of the Wage Statement Fund to ensure that the entire Wage Statement Fund is distributing to Participating Wage Statement Class Members.

According to Defendants' records, you worked during a total of _____ Workweeks during the Class Period and _____ during the Wage Statement Class Period. Accordingly, your estimated payment is approximately \$_____ from the Class Fund and \$_____ from the Wage Statement Fund. If you believe the information provided above is incorrect, please contact the Settlement Administrator at _____. If you dispute the information stated above, Defendants's records will control unless you are able to provide documentation that establishes otherwise.

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

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

Individual 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, you will be deemed to have released or waived the following claims (“Released Claims”):

For all Class Members, all claims, rights, demands, liabilities, and causes of action, whether known or unknown, arising from, or related to, the same set of operative facts as those set forth in the operative complaints in the Actions that accrued during the Class Period, including (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon termination; (v) all claims for the failure to timely pay wages during employment; (vi) all claims for the failure to reimburse for necessary business expenses; and (vii) all claims asserted through California Business & Professions Code §§ 17200, et seq., and California Labor Code §§ 2698, et seq. based on the preceding claims (“Released Class Claims”); and

For all Wage Statement Class Members, all claims, rights, demands, liabilities, and causes of action, whether known or unknown, arising from, or related to, the allegation that Defendant issued non-compliant wage statements during the Wage Statement Class Period, including all claims asserted through California Business & Professions Code §§ 17200, et seq., and California Labor Code §§ 2698, et seq. based on the allegation that Defendant issued non-compliant wage statements (“Released Wage Statement Claims”).

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 the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Attn: *Anaheim Majestic Class Action Settlement*
Settlement Administrator
c/o ILYM Group, Inc.
P.O. Box 2031 Tustin, CA 92781

The written request to be excluded must be postmarked or faxed not later than _____, 2019. If you submit a request for exclusion which is not postmarked or faxed by _____, 2019, 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 (1) be barred from participating in the settlement, but you will not be deemed to have released the Released Claims, (2) be barred from filing an objection to the settlement, and (3) not receive a payment from the settlement.

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

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you must submit an objection stating why you object to the settlement. Your objection must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection; (3) copies of any 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 to the administrator at [administrator's address].

All objections must be received by the administrator by not later than _____ 2019. Late objections will not be considered. 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 Approval Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Orange 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 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.

ALL PAPERS FILED IN THIS MATTER WILL BE AVAILABLE FOR REVIEW VIA THE COURTHOUSE AND VIA THE CIVIL CASE INFORMATION WEBSITE FOR THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE, AVAILABLE ONLINE AT WWW.OCCOURTS.ORG/ONLINE-SERVICES/CASE-ACCESS/, BY CLICKING ON “ACCESS NOW” NEXT TO CIVIL CASE & DOCUMENT ACCESS.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: (888) 295-8042

James W. Hawkins
James Hawkins APLC
9880 Research Dr. Ste 200
Irvine, CA 92618
Phone: (949) 387-7200

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

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

Exhibit B

EXCLUSION FORM

MAIL OR FAX TO:

Attn: Anaheim Majestic Class Action Settlement
Settlement Administrator
c/o ILYM Group, Inc.
P.O. Box 2031 Tustin, CA 92781
Fax: (***) ***-****

COMPLETE THIS FORM **ONLY IF** YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS. IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS, YOU **WILL NOT RECEIVE** YOUR PAYMENT FROM THE SETTLEMENT.

I _____ request to be excluded from the Settlement Class in the matters of *Onofre v. Anaheim Majestic Garden Hotel*, No. 30-2016-00861544-CU-OE-CXC (Orange County Superior Court) and *Avila v. Anaheim Majestic Garden Hotel*, No. 30-2016-00871797-CU-OE-CXC (Orange County Superior Court). I understand that by submitting this Exclusion Form, I will no longer be eligible for a payment from the settlement.

Sign your name here

Print your name here

Address

Telephone

Last Four Digits of Social Security No.