

JAMES R. HAWKINS, CA Bar No. 192295
james@jameshawkinsaplc.com

GREGORY MAURO, CA Bar No. 222239
greg@jameshawkinsaplc.com

JAMES HAWKINS APLC
9880 Research Drive, Suite 200

Irvine, California 92618

Telephone: (949) 387-7200

Facsimile: (949) 387-6676

Attorneys for Plaintiffs
Darcel Celeste Navarrette

LINDA CLAXTON, CA Bar No. 125729
linda.claxton@ogletree.com

Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
400 South Hope Street, Suite 1200

Los Angeles, CA 90071

Telephone: 213-239-9800

Facsimile: 213-239-9045

Attorneys for Defendants
INTERSTATE MANAGEMENT COMPANY,
LLC and AIMBRIDGE HOSPITALITY, LLC

[Additional counsel listed on following page]

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

DARCEL CELESTE NAVARRETTE,
individually and on behalf of all others similarly
situated,

Plaintiff,

vs.

INTERSTATE MANAGEMENT COMPANY,
LLC dba LA QUINTA INN & SUITES BY
WYNDHAM MADERA, a Delaware Limited
Liability Company; AIMBRIDGE
HOSPITALITY, LLC, a Delaware Limited
Liability Company; and DOES 1-50, inclusive,

Defendants.

Case No. MCV087491

Class Action and PAGA Settlement Agreement
[Assigned for all purposes to
the Honorable Eric J. LiCalsi, Dept. 44]

Action Filed: August 12, 2022
Trial Date: None

1 SHOHAM J. SOLOUKI, CA Bar No. 278538
shoham@soloukisavoy.com
2 GRANT JOSEPH SAVOY, CA Bar No. 284077
grant@soloukisavoy.com
3 SOLOUKI | SAVOY, LLP
316 W. 2nd Street, Suite 1200
4 Los Angeles, CA 90012
Telephone: (213) 814-4940
5 Facsimile: (213) 814-2550

6 Attorneys for Plaintiffs Elizabeth Quiroga Carrero
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Darcel Celeste Navarrette and Elizabeth Quiroga Carrero (“Plaintiffs”), individually and on behalf of all those similarly situated, and Defendant Interstate Management Company, LLC (“Defendant” or “Interstate Management”) in the *Navarrette* and *Quiroga Carrero* actions currently pending against Defendant (hereinafter, the “Actions”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

This Settlement shall be binding on Plaintiffs, the current and former employees they seek to represent, on Defendant, and on their respective counsel, subject to the terms and conditions definitions, recitals, and terms set forth herein and to the approval of the Court.

I. DEFINITIONS

1. Actions

“Actions” or “Lawsuits” is defined as *Celeste Navarrette v. Interstate Management Company, LLC*, Madera County Superior Court Case No. MCV087491 (“Navarrette Class Action”), *Celeste Navarrette v. Interstate Management Company, LLC*, Madera County Superior Court Case No. MCV087892 (“Navarrette PAGA Action”), and *Elizabeth Quiroga Carrero v. Interstate Management Company, LLC*, which was original filed on December 30, 2022 in Los Angeles County Superior Court and subsequently removed to the United States District Court, and which is pending in the Eastern District of California as Case No. 1:24-CV-01077-JLT-SAB where it is currently pending (“Quiroga Carrero Class Action”) (collectively “Plaintiffs’ Actions”).

2. Class Counsel

“Class Counsel” means James Hawkins, APLC and Solouki | Savoy, LLP, who, subject to Court approval, shall act as counsel for the Settlement Class.

3. Class Counsel Award

“Class Counsel Award” means attorneys’ fees for Class Counsels’ litigation and resolution of Plaintiffs’ Actions, and Class Counsels’ expenses and legal costs incurred in connection with Plaintiffs’ Actions.

4. Class Information

“Class Information” means information regarding Class Members that Defendant will in

good faith compile from Defendant's internal and currently available electronic timekeeping, payroll, and/or HRIS records and provide to the Settlement Administrator. To the extent possible, it shall be formatted as a Microsoft Excel spreadsheet. It shall include: each Class Member's full name; last known address; last known home telephone number; social security number; and Compensable Work Weeks.

5. Class Members

"Class Members" means all persons who have been employed by Defendant as non-exempt employees or equivalent positions, however titled, in the state of California during the Class Period (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification). Defendant has estimated that between August 12, 2018 through December 31, 2019 and February 1, 2023 through June 26, 2024 (the "Data Period") there were approximately 122,229 workweeks and approximately 4,500 Class Members.

6. Class Period

"Class Period" means the period from August 12, 2018 through December 31, 2019 and February 1, 2023 through March 4, 2025.

7. Class Representative(s)

"Class Representatives" means Plaintiffs Darcel Celeste Navarrette and Elizabeth Quiroga Carrero.

8. Class Representative Service Awards

"Class Representative Service Awards" means the amount that the Court authorizes to be paid to the Class Representatives, in recognition of their efforts and risks in assisting with the prosecution of Plaintiffs' Actions. The Class Representative Service Awards shall be in addition to the Class Representatives' Individual Settlement Payment as a Settlement Class Member. The proposed Class Representative Service Award to each Class Representative is \$10,000.00 (Ten Thousand Dollars and Zero Cents), totaling \$20,000.00 (Twenty Thousand Dollars and Zero Cents) for both Class Representatives, subject to Court approval.

1 **9. Compensable Work Weeks**

2 “Compensable Work Weeks” means the number of weeks in which Settlement Class
3 Member(s) was or were employed as a non-exempt employees for Defendant in the State of
4 California during the Class Period based on information from Defendant’s internal and currently
5 available electronic timekeeping and HRIS records.

6 **10. Complaint**

7 “Complaint” means the Amended Class Action and PAGA Complaint (“Amended
8 Complaint”) that Plaintiffs will file in the Navarrette Class Action with Navarrette and Quiroga
9 Carrero as plaintiffs, as described more fully below in Paragraph II(1).

10 **11. Court**

11 “Court” means the Madera County Superior Court.

12 **12. Defendant**

13 “Defendant” means Defendant Interstate Management, LLC, and includes its past, present
14 and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents,
15 representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent
16 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers,
17 including, but not limited to Aimbridge Hospitality LLC.

18 **13. Effective Date**

19 “Effective Date” of the Settlement means the date on which the Court’s order granting Final
20 Approval of this Joint Stipulation becomes final. Such order becomes final upon the following
21 events: (i) the day the Court issues the Final Approval Order granting approval of this Settlement
22 Agreement if no objections to the settlement are filed, or if an objection is filed but is withdrawn
23 prior to the Court’s Final Approval Hearing; or (ii) in the event there are written objections filed
24 prior to the Final Approval Hearing which are not thereafter withdrawn prior to the hearing, the
25 later of the following events: (a) the day after the last day by which a notice of appeal of the order
26 may be timely filed with an appellate court, and none is filed; (b) if an appeal is filed and is finally
27 disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request
28 for further review of the appellate court’s decision passes and no further review is requested; (c) if

an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the appellate court, and further review of the appellate court's decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested; or (d) if review is accepted, the day the appellate court affirms the Settlement.

14. Final Approval Hearing

"Final Approval Hearing" means the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Settlement.

15. Final Approval Order

"Final Approval Order" means the proposed order granting final approval of the Parties' settlement and constituting a Final Judgment, in a form substantially similar to the order attached hereto as Exhibit C.

16. Final Judgment

"Final Judgment" means a judgment issued by the Court approving this Agreement as binding upon the Parties.

17. Gross Settlement Fund

"Gross Settlement Fund" means the agreed upon settlement amount totaling \$2,000,000.00 (Two Million Dollars and Zero Cents) to be paid by Defendant in full settlement of the Released Claims, and includes without limitation the Class Counsel Award, Class Representative Service Awards, Individual Settlement Payments, PAGA Payment, and Settlement Administrator Costs. In no event shall Defendant be liable for more than the Gross Settlement Fund, except that Defendant's portion of payroll taxes will be paid separately and in addition to the Gross Settlement Fund.

18. Individual Settlement Payment

"Individual Settlement Payment" means the amount paid from the Net Settlement Fund to a Settlement Class Member, based upon his/her Compensable Work Weeks.

19. LWDA

"LWDA" means the California Labor and Workforce Development Agency.

1 **20. Net Settlement Fund**

2 “Net Settlement Fund” means the Gross Settlement Fund, less Court-approved Class
3 Counsel Award, Class Representative Service Awards, payment to the LWDA, and Settlement
4 Administration Costs.

5 **21. Notice of Class Action Settlement**

6 “Notice of Class Action Settlement” means the Notice of Pendency of Class Action
7 Settlement and Hearing Date for Court Approval substantially in the form attached hereto
8 as **Exhibit A**, which shall include an estimated individual settlement payment, number of
9 workweeks worked, dates of employment, how to opt-out of the settlement, and how to object to
10 the settlement, and how to dispute the number of estimated workweeks worked.

11 **22. PAGA**

12 “PAGA” refers to the Labor Code Private Attorneys General Act of 2004, codified at Labor
13 Code §§ 2699 et seq.

14 **23. PAGA Members**

15 “PAGA Members” means all persons who have been employed by Defendant as non-
16 exempt employees or equivalent positions, however titled, in the state of California during the
17 PAGA Period (or if any such person is incompetent, deceased, or unavailable due to military
18 service, the person’s legal representative or successor in interest evidenced by reasonable
19 verification). Defendant represents there are approximately 49,000 Pay Periods and 2,600 PAGA
20 Members in the PAGA Period.

21 **24. PAGA Payment**

22 “PAGA Payment” means the payment made hereunder to the LWDA and PAGA Members
23 pursuant to PAGA. The Parties will seek approval from the Court for a PAGA Payment of
24 \$100,000.00 (One Hundred Thousand Dollars and Zero Cents) out of the Gross Settlement
25 Amount, which shall be allocated 75% (\$75,000.00) to the California Labor and Workforce
26 Development Agency (“LWDA”) as the LWDA’s share of the settlement of civil penalties paid
27 under this Agreement pursuant to the PAGA and 25% (\$25,000.00) will be distributed to the
28 PAGA Members to be allocated based on the number of pay periods worked as an PAGA Member

during the PAGA Period. If the Court approves a PAGA Payment of less than \$100,000.00, the remainder will be retained in the Net Settlement Fund for distribution to Class Members.

25. PAGA Period

“PAGA Period” means the period from February 1, 2023 through March 4, 2025.

26. Parties

“Parties” means Plaintiffs and Defendant, collectively, and “Party” shall mean Plaintiffs or Defendants, individually.

27. Payment Ratio

“Payment Ratio” means the respective Compensable Work Weeks during which an employee worked, in proportion to the aggregate number of Compensable Work Weeks worked by all Class Members.

28. Plaintiff(s)

“Plaintiffs” means Plaintiffs Darcel Celeste Navarrette and Elizabeth Quiroga Carrero.

29. Preliminary Approval Date

“Preliminary Approval Date” means the date on which the Court issues an order granting preliminary approval of the proposed order in a form substantially similar to the order attached hereto as **Exhibit B**.

30. Released Class Claims

“Released Class Claims” means any and all claims, causes of action, and factual or legal theories that were alleged in the Complaint, or reasonably could have been alleged based on the facts and legal theories of the Complaint during the Class Period, including all of the following claims for relief: (a) failure to provide meal periods and to properly provide premium pay in lieu thereof; (b) failure to provide rest periods and to properly provide premium pay in lieu thereof; (c) failure to pay all wages timely at the time of termination and/or during employment; (d) failure to provide complete, accurate or properly formatted wage statements; (e) failure to indemnify necessary business expenses, (f) unfair business practices that could have been premised on the claims, causes of action or legal theories based on the Complaint; (g) all claims under the California Labor Code Private Attorneys General Act of 2004 that are alleged in the Complaint

including the proposed Second Amended Complaint or reasonably could have been alleged based on the facts and legal theories contained in the Amended Class Action and PAGA Complaint; and (h) all damages, penalties, interest, and other amounts recoverable under each of the preceding claims, causes of action, or legal theories of relief.

31. Released PAGA Claims

“Released PAGA Claims” means any and all claims, causes of action, and factual or legal theories that were alleged in the Second Amended Complaint, or reasonably could have been alleged based on the facts and legal theories of the Amended Class Action and PAGA Complaint during the PAGA Period for civil penalties pursuant to the PAGA for Defendant’s alleged failure to: (a) pay wages including overtime, (b) provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) provide rest periods and to properly provide premium pay in lieu thereof; (d) failure to pay all wages earned and owed upon separation from Defendant’s employ, (e) failure to provide complete, accurate or properly formatted wage statements, and (f) failure to reimburse expenses.

32. Released Parties

“Released Parties” means Defendant and any of its former and present parents, subsidiaries, affiliates, officers, directors, employees, partners, shareholders, attorneys, agents, successors, assigns, and legal representatives.

33. Request for Exclusion

“Request for Exclusion” means a letter setting forth a Class Member’s name, present address, and a simple statement electing to be excluded from the Settlement.

34. Response Deadline

“Response Deadline” means the date forty-five (45) days after the Settlement Administrator mails the Notice of Class Action Settlement to Class Members, which is the last date on which Class Members may: (a) submit a Request for Exclusion; (b) file and serve objections to the settlement; or (c) dispute the information contained in the Notice of Class Action Settlement. If the forty-fifth (45th) day falls on a Sunday or Federal holiday, then the deadline is extended to the next day that the U.S. Postal Service is open.

1 **35. Settlement**

2 “Settlement” or “Settlement Agreement” means the disposition of Plaintiffs’ Actions
3 pursuant to this Joint Stipulation of Class Action Settlement and Release of Claims.

4 **34. Settlement Administrator**

5 “Settlement Administrator” means the third-party company that is responsible for
6 administering the Settlement. This Settlement Administrator is Apex Class Action Administrator,
7 LLC.

8 **36. Settlement Administrator Costs**

9 “Settlement Administrator Costs” means the amount to be paid to the Settlement
10 Administrator from the Gross Settlement Fund for administration of this Settlement, currently
11 estimated not to exceed \$33,000.00.

12 **37. Settlement Class Members**

13 “Settlement Class Members” means those Class Members who did not file a valid and
14 timely Request for Exclusion pursuant to section III, paragraph 11 of this Agreement.

15 **II. RECITALS**

16 **1. Amendment of Complaint and Dismissal of the Related Actions**

17 To effectuate this Settlement, Plaintiffs will file an Amended Class Action and PAGA
18 Complaint (the “Amended Complaint”), in the Navarrette Class Action to add to the current
19 complaint all class and PAGA claims and causes of action negotiated during mediation and falling
20 within the definition of “Released Class Claims” and “Released PAGA Claims,” including
21 specifically all claims and causes of action asserted in the Navarrette PAGA Complaint and the
22 Quiroga Carrero Complaint. Navarrette shall dismiss the Navarrette PAGA Action and Quiroga
23 Carrero shall dismiss the Quiroga Carrero Action within five (5) days of the Effective Date. For
24 purposes of this Settlement only, Defendant agrees that the filing of the Amended Complaint
25 relates back to the filing of the original complaint in Plaintiffs’ Actions for purposes of the
26 applicable statutes of limitations for the causes of action alleged in the Amended Complaint.
27 Defendant will be deemed to have generally denied the allegations of the Amended Complaint
28 without the need to file and serve an Answer thereto. The Court’s approval of the Parties’

1 stipulation to file an amended complaint is a material term of this Settlement Agreement. If the
2 Court does not grant leave to file the amended complaint, the Parties shall work together in good
3 faith to agree on a revised settlement agreement. If the Parties are unable to reach agreement,
4 Plaintiffs will immediately dismiss the Amended Complaint. Moreover, if the Parties are unable to
5 reach an agreement, this Settlement Agreement, and any documents generated to bring it into
6 effect, will be null and void. Any order or judgment entered by the Court in furtherance of this
7 Settlement Agreement will likewise be treated as void from the beginning.

8 **2. Class Certification**

9 The Parties stipulate to class certification of the Settlement Class for purposes of settlement
10 only. If the Court does not grant either preliminary or final approval of this Settlement, the Parties
11 shall work together in good faith to agree on a revised settlement agreement to address the Court's
12 concerns. If the Parties are unable to reach agreement, or the Court does not grant either
13 preliminary or final approval of the revised settlement, the Parties agree that this stipulation
14 regarding class certification will be revoked and the Parties will return to a point in litigation prior
15 to the execution of this Agreement.

16 **3. Procedural History**

17 On August 11, 2022, Navarrette sent the LWDA notice, via online filing, of her intent to
18 file an action against Defendant to seek civil penalties under PAGA.

19 On August 12, 2022, Navarrette filed the Navarrette Class Action in the Madera County
20 Superior Court (Case No. MCV087491). Defendant subsequently removed the case to the U.S.
21 District Court for the Eastern District of California on October 31, 2022.

22 On October 20, 2022, Navarrette filed the Navarrette PAGA Action in the Madera County
23 Superior Court.

24 On December 30, 2022 Quiroga Carrero filed the Quiroga Carrero Class Action in the Los
25 Angeles County Superior Court. Defendant subsequently removed the case to the U.S. District
26 Court for the Central District of California on February 6, 2023.

27 On September 9, 2024, pursuant to stipulation between the parties, the Quiroga Carrero
28 Action was transferred to the Eastern District (Case No. 1:24-CV-01077-JLT-SAB).

1 On September 13, 2024, the Navarrette Class Action and the Quiroga Carrero Class Action
2 were ordered related.

3 On January 27, 2025, pursuant to the Parties' stipulation, the Navarrette Class Action was
4 remanded to the Madera County Superior Court (Case No. MCV087491).

5 On June 26, 2024, the Parties met to discuss mediation of the Navarrette Class Action, the
6 Navarrette PAGA Action and the Quiroga Carrero Class Action with experienced mediator Kevin
7 T. Barnes. The Parties subsequent engaged in protracted settlement discussions and engaged in
8 informal discovery to understand the nature of the allegations and the scope of potential liability.
9 Defendant provided Plaintiffs' counsel with pertinent data for the Class Members, as well as
10 relevant documents, so that the Parties could fully-investigate the claims at issue and understand
11 their strengths and weaknesses. This included timekeeping records, payroll records, relevant
12 policies and forms, and class data points.

13 On January 3, 2025 the Parties reached an agreement, as provided herein, to settle
14 Plaintiffs' claims on a class-wide basis.

15 Defendant denies any liability or wrongdoing of any kind associated with the claims
16 asserted in Plaintiffs' Actions, disputes the damages and penalties claimed by Plaintiffs, and further
17 contends that, for any purpose other than settlement, Plaintiffs' claims are not appropriate for class
18 or representative action treatment. This Stipulation is a compromise of disputed claims. Nothing
19 contained in this Stipulation, no documents referred to herein, and no action taken to carry out this
20 Stipulation, shall be construed or used as an admission by or against Defendant as to the merits or
21 lack thereof of the claims asserted in Plaintiffs' Actions. Defendant contends, among other things,
22 that, at all times, it has complied with all applicable state, federal and local laws related to the Class
23 Members' employment.

24 The Class Representatives are represented by Class Counsel. Class Counsel conducted an
25 investigation into the facts relevant to Plaintiffs' Actions, including reviewing documents and
26 information provided by Defendant. Based on their own independent investigation and evaluation,
27 Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable and
28 adequate, and in the best interest of the Class in light of all known facts and circumstances,

1 including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding a
2 class and representative action trial on the merits, and numerous potential appellate issues.
3 Although Defendant denies liability, Defendant is agreeing to this Settlement solely to avoid the
4 cost of further litigation. Accordingly, the Parties and their counsel desire to fully, finally, and
5 forever settle, compromise and discharge all disputes and claims arising from or relating to
6 Plaintiffs' Actions on the terms set forth herein.

7 **4. Benefits of Settlement to Class Members**

8 Plaintiffs and Class Counsel recognize the expense and length of continued proceedings
9 necessary to litigate their disputes through trial and through any possible appeals. Plaintiffs have
10 also taken into account the uncertainty and risk of the outcome of further litigation, and the
11 difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel are also aware of the
12 burdens of proof necessary to establish liability for the claims asserted in Plaintiffs' Actions, both
13 generally and in response to Defendant's defenses thereto, and the difficulties in establishing
14 damages for the Class Members. Plaintiffs and Class Counsel have also taken into account
15 Defendant's agreement to enter into a settlement that confers substantial relief upon the members
16 of the Class. Based on the foregoing, Class Counsel have concluded that settlement for the
17 consideration and on the terms set forth in this Settlement Agreement, is fair, reasonable, and
18 adequate and is in the best interest of the putative class in light of all known facts and
19 circumstances, including the risk of significant delay, defenses asserted by Defendant, Defendant's
20 financial condition, numerous potential appellate issues, and other risks inherent in litigation.

21 **5. Defendant's Reasons for Settlement**

22 Defendant has concluded that any further defense of this litigation would be protracted and
23 expensive for all Parties. Substantial amounts of Defendant's time, energy, and resources have
24 been and, unless this Settlement is completed, will continue to be devoted to, the defense of the
25 claims asserted by Plaintiffs and Class Members. Defendant has also taken into account the risks of
26 further litigation in reaching its decision to enter into this Settlement. Even though Defendant
27 continues to contend that it is not liable for any of the claims set forth by Plaintiffs in Plaintiffs'
28 Actions, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in

1 this Agreement to put to rest the claims in Plaintiffs' Actions. Defendant contends that it has
2 complied with all applicable state, federal, and local laws.

3 **6. Settlement of Disputed Claims**

4 This Agreement is a compromise of disputed claims. Defendant contends that the Released
5 Class Claims and the Released PAGA Claims have no merit and do not give rise to liability.
6 Plaintiffs and Settlement Class Members have claimed and continue to claim that the Released
7 Class Claims and the Released PAGA Claims have merit and give rise to liability on the part of
8 Defendant. This Agreement is a compromise of disputed claims. Nothing contained in this
9 Agreement, no documents referred to herein, and no action taken to carry out this Agreement, may
10 be construed or used as an admission by or against the Settlement Class Members or Class Counsel
11 as to the merits or lack thereof of the claims asserted in Plaintiffs' Actions.

12 **III. TERMS OF AGREEMENT**

13 **1. Release as to All Settlement Class Members**

14 As of the Effective Date, all Settlement Class Members will release the Released Parties
15 from the Released Class Claims, whether known or unknown. To be clear, the scope of this release
16 is limited to the Released Class Claims. Settlement Class Members may later discover facts or legal
17 arguments in addition to or different from those that they now know or currently believe to be true
18 with respect to the Released Class Claims. Regardless, the discovery of new facts or legal
19 arguments shall in no way limit the scope or definition of the Released Class Claims, and by virtue
20 of this Agreement, Plaintiffs and Settlement Class members shall be deemed to have, and by
21 operation of the final judgment approved by the Court, shall have, fully, finally, and forever settled
22 and released all of the Released Class Claims. The Parties understand and specifically agree that
23 the scope of this Release described in this Paragraph is a material part of the consideration for this
24 Agreement, was critical in justifying the agreed upon economic value of the Settlement and
25 without it, Defendant would not have agreed to the consideration provided, and is narrowly drafted
26 and necessary to ensure that Defendant is obtaining peace of mind regarding the resolution of the
27 claims that were or could have been alleged based on facts, causes of action, and legal theories
28 contained in Plaintiffs' Actions.

Defendant shall be entitled to a release of all Released Class Claims which occurred during the Class Period only during such time that the Settlement Class Member was non-exempt, and expressly excluding all other claims, including but not limited to claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the Class Period.

2. Release as to all PAGA Members

As of the Effective Date, all PAGA Members will release the Released Parties from the Released PAGA Claims, whether known or unknown. To be clear, the scope of this release is limited to the Released PAGA Claims. PAGA Members may later discover facts or legal arguments in addition to or different from those that they now know or currently believe to be true with respect to the claims, causes of action, and legal theories of Plaintiffs' Actions. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released PAGA Claims, and by virtue of this Agreement, Plaintiffs and PAGA Members shall be deemed to have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and forever settled and released all of the Released PAGA Claims. The Parties understand and specifically agree that the scope of this Release described in this Paragraph is a material part of the consideration for this Agreement, was critical in justifying the agreed upon economic value of the Settlement and without it, Defendant would not have agreed to the consideration provided, and is narrowly drafted and necessary to ensure that Defendant is obtaining peace of mind regarding the resolution of the claims that were or could have been alleged based on facts, causes of action, and legal theories contained in Plaintiffs' Actions and as defined in the Released PAGA Claims.

3. Release of Claims by Plaintiffs

As of the Effective Date, Plaintiffs for themselves releases the Released Parties from all of the Released Claims during the Class Period. Plaintiffs, for themselves and their heirs, successors and assigns, further waives, releases, acquits and forever discharges the Released Parties from any and all claims, actions, charges, complaints, grievances and causes of action, of whatever nature, whether known or unknown, which exist or may exist on Plaintiffs' behalf as of the date of this Agreement, including, but not limited to, any and all tort claims, contract claims, wage claims,

wrongful termination claims, disability claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including, but not limited to, claims for violation of the Fair Labor Standards Act (FLSA), the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code §§17200 et seq., and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance.

Plaintiffs' releases set forth herein include a waiver of all rights under California Civil Code §1542, which provides:

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

Plaintiffs may hereafter discover claims or facts in addition to, or different from, those which he now knows or believes to exist, but Plaintiffs expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendant.

4. Tax Liability and Medicare

The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Settlement Class Members are not relying on any statement or representation by the Parties in this regard. Settlement Class Members understand and agree that they will be responsible for the payment of taxes and penalties assessed on the payments described

herein and will hold the Parties free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages, including the treatment of such payment as not subject to withholding or deduction for payroll and employment taxes. Moreover, this Agreement is based upon a good faith determination of the Parties to resolve a disputed claim. The Parties have not shifted responsibility of medical treatment to Medicare in contravention of 42 U.S.C. Sec. 1395y(b), especially since this is strictly a wage and hour case. The Parties resolved this matter in compliance with both state and federal law. The Parties made every effort to adequately protect Medicare's interest and incorporate such into the settlement terms. Plaintiffs warrant that they are not Medicare beneficiaries as of the date of this Agreement. As such, no conditional payments have been made by Medicare.

5. Circular 230 Disclaimer

Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or advisor to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

1 **6. Preliminary Approval of Settlement**

2 Promptly upon execution of this Agreement, Plaintiffs will move the Court to grant
3 preliminary approval of this Settlement, certifying the Class for settlement purposes only and
4 setting a date for the Final Approval Hearing. All Parties agree to work diligently and
5 cooperatively to have this Settlement presented to the Court for preliminary approval. The
6 proposed preliminary approval order shall provide for the Notice of Class Action Settlement to be
7 sent to Settlement Class Members as specified herein.

8 **7. Settlement Administrator**

9 Upon the Court granting preliminary approval of this Agreement, Defendant shall provide
10 the Settlement Administrator with the Class Information within ten (10) business days for purposes
11 of mailing the Notice of Class Action Settlement to the Class Members. No later than three (3)
12 business days after receipt of the Class Information, the Settlement Administrator shall notify
13 counsel for the Parties that the list has been received and state the number of Class Members
14 included in the Class Information.

15 **8. Notice by First Class U.S. Mail**

16 Upon receipt of the Class Information, the Settlement Administrator will perform a search
17 based on the National Change of Address Database to update and correct any known or identifiable
18 address changes. Within thirty (30) calendar days of the Preliminary Approval Date, the Settlement
19 Administrator shall mail copies of the Notice of Class Action Settlement to all Class Members via
20 regular First-Class U.S. Mail with a return postage-paid envelope. The Settlement Administrator
21 shall exercise its best judgment to determine the current mailing address for each Class Member,
22 including performing a skip-trace to identify any updated addresses. The address identified by the
23 Settlement Administrator as the current mailing address shall be presumed to be the best mailing
24 address for each Class Member. A reminder postcard will be mailed out 30 days after the Class
25 Notice is mailed to Class Members.

26 **9. Undeliverable Notices**

27 Any Notice of Class Action Settlement returned to the Settlement Administrator as
28 undeliverable on or before the Response Deadline shall be re-mailed once to the forwarding

address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by use of skip-tracing, or other search using the name, address and/or social security number of the Class Member whose notice was undeliverable, and shall then re-mail all returned, undelivered mail within five (5) calendar days of receiving notice that a notice was undeliverable. Class Members who receive a re-mailed Notice of Class Action Settlement shall have their Response Deadline extended by the longer of fourteen (14) calendar days from the date of re-mailing or the remaining original Response Deadline period.

10. Disputes Regarding Individual Settlement Payments

Class Members will have the opportunity, should they disagree with Defendant's records regarding the weeks worked stated on their Notice of Class Action Settlement, to provide documentation and/or an explanation to show contrary information by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be binding upon the Class Members and the Parties. In the absence of circumstances indicating fraud, manipulation or destruction, Defendant's records will be given a rebuttable presumption of accuracy.

11. Disputes Regarding Administration of Settlement

Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court, under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

12. Requests for Exclusion

The Notice of Class Action Settlement shall state that Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Notice will state that the Request for Exclusion: (1) must contain the name, address, and telephone number of the Class Member requesting exclusion; (2) must contain a statement

expressing that the Class Member elects to be excluded from the Settlement; (3) must be signed by the Class Member; and (4) must be postmarked or fax stamped by the Response Deadline and returned to the Settlement Administrator at the specified address or fax number. The Request for Exclusion will be deemed invalid if it does not contain a Class Member's name, address, signature, and a statement requesting exclusion. The date of the postmark on the return mailing envelope or fax stamp on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. If the Settlement Administration is unsure of the validity of a Request for Exclusion, it must provide a copy of the Request for Exclusion to the Parties to review and make a determination as to its validity. Any Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under the Settlement and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any Final Judgment entered in this Lawsuits if the Settlement is approved by the Court. No later than five (5) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a complete list of all members of the Settlement Class who have timely submitted a Request for Exclusion.

13. Objections

The Notice of Class Action Settlement shall state that Class Members who wish to object to the Settlement may do so in person at the Final Approval Hearing and/or in writing. Any written objection ("Notice of Objection") must be mailed or faxed to the Settlement Administrator by the Response Deadline. The date of mailing on the envelope or the date of the fax transmission shall be deemed the exclusive means for determining that a Notice of Objection was timely received. The Notice of Objection must be signed by the Class Member and state: (1) the full name of the Class Member; (2) the basis for the objection; and (3) if the Class Member intends to appear at the Final Approval Hearing. The Settlement Administration must provide a copy of written objections to the Parties within three (3) calendar days of receipt. Class Counsel will ensure that any Notices of Objection received by the Settlement Administrator by the Response Deadline are filed with the

1 Court along with the Motion for Final Approval. Either of the Parties may file a responsive
2 document to any objection at least ten (10) court days before the Final Approval Hearing. Any
3 attorney who will represent an individual objecting to this Settlement who has not filed a written
4 objection must file a notice of appearance with the Court and serve Class Counsel and counsel for
5 Defendant no later than the Response Deadline. Class Counsel shall not represent any Class
6 Members with respect to any such objections.

7 Any Class Member who fails to submit a timely written objection or to present an objection
8 in person at the Final Approval Hearing shall be deemed to have waived any objections and shall
9 be foreclosed from making any objection to the Settlement whether by appeal or otherwise.

10 An individual who submits a valid Request for Exclusion may not object to the Settlement.

11 **14. No Solicitation of Settlement Objections or Exclusions**

12 The Parties agree to use their best efforts to carry out the terms of this Settlement. At no
13 time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
14 to submit either written objections to the Settlement or requests for exclusion from the Settlement,
15 or to appeal from the Court's Final Judgment.

16 **15. Funding and Allocation of Gross Settlement Fund**

17 No later than (304) calendar days after the Effective Date, Defendant shall provide the
18 Gross Settlement Fund to the Settlement Administrator to fund the Settlement, as set forth in this
19 Agreement, and the employer's share of payroll taxes due on the portion of the Individual
20 Settlement Payments that is allocated to wages. Defendant will not be obligated to make any
21 payments contemplated by this Agreement unless and until the Court enters the Final Approval
22 Order and Final Judgment, and after the Effective Date of the Agreement. Within five (5) calendar
23 days of the receipt of the Gross Settlement Fund, the Settlement Administrator shall make the
24 Settlement payments as specified in this Settlement Agreement,

25 **16. Net Settlement Fund**

26 The Net Settlement Fund will be determined by the Settlement Administrator by subtracting
27 the Court-approved Class Counsel Award, Class Representative Service Awards, PAGA Payment,
28 and Settlement Administrator Costs from the Gross Settlement Fund. The anticipated Net

Settlement Fund is \$1,097,000. The Parties estimate the amount of the Net Settlement Fund as follows:

Gross Settlement Fund:	\$	2,000,000.00
Class Representative Service Awards:	\$	(20,000.00)
Class Counsel Fees:	\$	(700,000.00)
Class Counsel Costs: (Not to Exceed)	\$	(50,000.00)
PAGA Payment	\$	(100,000.00)
Settlement Administrator Costs: (Not to Exceed)	\$	(33,000.00)

Anticipated Net Settlement Fund	\$	1,097,000.00
--	-----------	---------------------

This is a non-reversionary Settlement in which Defendant is required to pay the entire Gross Settlement Fund, which includes, the Class Counsel Award, Class Representative Service Awards, Individual Settlement Payments, PAGA Payment, and Settlement Administrator Costs. No portion of the Gross Settlement Fund will revert to Defendant.

Defendant's share of payroll taxes due on the portion of the Individual Settlement Payments allocated to wages, including but not limited to Defendant's FICA and FUTA contributions, shall be paid separately from, and in addition to, the Gross Settlement Fund.

17. Individual Settlement Payments

Individual Settlement Payments will be paid from the Net Settlement Fund and shall be paid pursuant to the settlement formula set forth herein. Individual Settlement Payments shall be mailed by regular First-Class U.S. Mail to each Settlement Class Member's last known mailing address within seven (7) calendar days after Defendant makes the final settlement payment. All Individual Settlement Payments will be allocated as follows: Ten percent (10%) as wages and Ninety percent (90%) as interest and penalties.

18. Settlement Class Member's Payment Ratio

Settlement Class Members will be paid on a pro-rata basis. A Settlement Class Member's Individual Settlement Payment will be based on the number of Compensable Work Weeks during which s/he worked in proportion to the aggregate number of Compensable Work Weeks worked by

all Settlement Class Members, reduced as necessary to account for the employee's mandatory payroll withholdings.

19. PAGA Member's Payment and PAGA Ratio

PAGA Members will be paid on a pro-rata basis from the PAGA Payment. A PAGA Member's Individual PAGA Payment will be based on the number of Compensable Pay Periods during which s/he worked in proportion to the aggregate number of Compensable Pay Periods worked by all PAGA Members. The Parties will seek approval from the Court for a PAGA Payment of \$100,000.00 out of the Gross Settlement Amount, which shall be allocated 75% (\$75,000.00) to the California Labor and Workforce Development Agency ("LWDA") as the LWDA's share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA and 25% (\$25,000.00) will be distributed to the PAGA Members to be allocated based on the number of pay periods worked as an PAGA Member during the PAGA Period.

20. Payment to Settlement Class Member and PAGA Members

Checks shall be made payable to each Settlement Class Member and/or PAGA Member for payment of each Settlement Class Member and/or PAGA Member's Individual Settlement Payment as set forth in Paragraph III.17 of this Agreement.

21. Form of Payment to Class Member

The Individual Settlement Payment amount due to each Settlement Class Member and/or PAGA Member shall be paid in the form of a check to each Settlement Class Member and/or PAGA Member.

22. Unclaimed Settlement Payment(s)

After one hundred and eighty (180) calendar days of the mailing of the Individual Settlement Payment checks, funds attributable to unclaimed, undeliverable, or expired Individual Settlement Payment checks will be transmitted to the State of California Office of the Controller Unclaimed Property Fund in the name of the Settlement Class Members who did not cash his/her Settlement check. The Parties agree to coordinate their efforts to seek Court approval for such an escheatment process of uncashed funds. If, for some reason, the Court does not approve the escheatment of uncashed funds, the Parties agree to meet and confer to identify a mutually-

agreeable cy pres recipient(s).

23. Class Representative Service Awards

Plaintiffs will request that the Court approve a Class Representative Service Award for each Plaintiff of up to \$10,000.00 each. The Class Representative Services Award shall be paid to Plaintiffs from the Gross Settlement Fund within seven (7) calendar days after Defendant provides the Gross Settlement Fund to the Settlement Administrator. The Settlement Administrator shall issue an IRS Form 1099 – MISC to Plaintiffs for their respective Class Representative Service Award. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Class Representative Service Awards and shall hold harmless Defendant and Class Counsel from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Service Awards. The Class Representative Service Awards shall be in addition to the Plaintiffs' Individual Settlement Payment as a Settlement Class Member. Any amount requested by Plaintiffs for the Class Representative Service Awards and not granted by the Court shall return to the Net Settlement Fund and be distributed to Settlement Class Members as provided in this Agreement.

24. Class Counsel Award

Class Counsel will request that the Court approves attorneys' fees in the amount of up to thirty-five percent (35%) of the Gross Settlement Fund. This amount is currently anticipated to be \$700,000.00. Class Counsel will request that the Court approve the reimbursement of any litigation costs or expenses associated with Class Counsels' prosecution of this matter from the Gross Settlement Fund not to exceed \$50,000.00. Even in the event that the Court reduces or does not approve the requested Class Counsel Award and costs, Plaintiffs' Counsel shall not have the right to revoke the Settlement and it will remain binding. Class Counsel shall be paid any Court-approved fees and costs no later than seven (7) calendar days after Defendant provides the Gross Settlement Fund to the Settlement Administrator. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 – MISC to Class Counsel for the payments made pursuant to this paragraph. This Settlement is not contingent upon the Court awarding Class Counsel any particular amount in attorneys' fees and costs. Any amount requested by Class

Counsel for the Class Counsel Award and not granted by the Court shall return to the Net Settlement Fund and be distributed to Settlement Class Members as provided in this Agreement.

25. Settlement Administrator Costs

The Parties agree to allocate up to \$33,000.00 of the Gross Settlement Fund for Settlement Administrator Costs. The Settlement Administrator shall have the authority and obligation to make payments, credits and disbursements to Settlement Class Members in the manner set forth herein, calculated in accordance with the methodology set out in this Agreement and orders of the Court. The Parties agree to cooperate in the Settlement administration process and to make all reasonable efforts to control and minimize the cost and expenses incurred in administration of the Settlement.

26. Responsibilities of the Settlement Administrator

The Settlement Administrator shall be responsible for the following: processing and mailing payments to Plaintiffs, Class Counsel, and Settlement Class Members; printing, and mailing the Notice of Class Action Settlement and tax forms to the Settlement Class Members as directed by the Court; receiving and reporting the requests for exclusion and objections submitted by Settlement Class Members; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities. Plaintiffs, Class Counsel, Defendant, and Defendant's counsel shall not bear any responsibility for errors or omissions in the calculation or distribution of the settlement payments or development of the list of recipients of settlement payments.

27. Settlement Administrator Fees

The Settlement Administrator shall be paid the Settlement Administrator Costs within seven (7) calendar days after Defendant provides the Gross Settlement Fund to the Settlement Administrator.

28. Payment to the LWDA

A total payment of \$100,000.00 from the Gross Settlement Fund will be allocated as the PAGA Payment to be paid as penalties under the Labor Code Private Attorneys General Act of

2004, to the LWDA. Seventy-five percent (75%) of the PAGA Payment (\$75,000.00) will be paid to the LWDA and the remaining twenty-five (25%) (\$25,000.00) shall be included in the Net Settlement Fund distributed to PAGA Members.

29. Final Approval Hearing and Entry of Final Judgment

Upon expiration of the Response Deadline, with the Court's permission, the Final Approval Hearing shall be conducted to determine final approval of the Settlement along with the amount properly payable for: (i) the Class Counsel Award; (ii) the Class Representative Service Awards; (iii) Individual Settlement Payments; (iv) the Settlement Administrator Costs; and (v) PAGA Payment.

30. Final Approval Order

Plaintiffs will request that the Court enter, after the Final Approval Hearing, a Final Approval Order in the form attached hereto as **Exhibit C**. Plaintiffs will request that the Final Approval Order certify the Settlement Class; find that this Agreement is fair, just, adequate, and in the best interests of the Class; and require the Parties to carry out the provisions of this Agreement.

31. Nullification of Settlement Agreement

In the event: (i) the Court denies preliminary approval of the Settlement; (ii) the Court denies final approval of the Settlement; (iii) the Court refuses to enter a Final Judgment as provided herein; or (iv) the Settlement does not become final for any other reason, this Settlement Agreement shall be null and void and any order or judgement entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. To the extent the total number of opt outs exceed five percent (5%), Defendant has the option to nullify this settlement prior to the final fairness hearing via a written notice to Plaintiffs' counsel. If one or more of such events occur causing the Settlement Agreement to become null and void, the Parties shall proceed in all respects as if this Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by the party terminating the Settlement or Defendant will be solely responsible for the costs incurred for the settlement administration should it exercise its' option to nullify this agreement. The return of any paid Settlement funds to Defendant shall occur no later than five (5) business days after one or more of the triggering events leading to nullification occurs.

1 In the event an appeal is filed from the Court's Final Judgment, or any other appellate review is
2 sought, administration of the Settlement shall be stayed pending final resolution of the appeal or
3 other appellate review, but any fees incurred by the Settlement Administrator prior to it being
4 notified of the filing of an appeal from the Court's Final Judgment, or any other appellate review,
5 shall be paid to the Settlement Administrator by Defendant within thirty (30) days of said
6 notification.

7 **32. Class and PAGA Period Adjustment**

8 It is estimated that during the Data Period there were approximately 122,229 workweeks. If,
9 during settlement administration, it turns out that the actual number of weeks in which Class
10 Members performed work during the Data Period exceeds 10% above the 122,229 estimate (*i.e.*,
11 134,452 weeks), the percentage above 10% shall be considered the "Overage Factor." For example,
12 if the actual weeks worked by Class Members during the Data Period is determined to be 135,674
13 (*i.e.*, 11% above 134,452), the Overage Factor is 1%. In the event that the settlement
14 administrator determines there is an Overage Factor greater or equal to 1%, the end date of the
15 Class Period and PAGA Period shall be adjusted so the total number of workweeks during the
16 Class Period and PAGA Period is reduced by the Overage Factor.

17 **33. No Effect on Employee Benefits**

18 Amounts paid to Plaintiffs or other Settlement Class Members pursuant to this Agreement
19 shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for,
20 or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.)
21 of Plaintiffs or Settlement Class members.

22 **34. No Admission by Defendant**

23 Defendant denies any and all claims alleged in this Lawsuits and denies all wrongdoing
24 whatsoever. This Agreement is not a concession or admission, and shall not be used against
25 Defendant as an admission or indication with respect to any claim of any fault, concession, or
26 omission by Defendant.

27 **35. Exhibits and Headings**

28 The terms of this Agreement include the terms set forth in any attached Exhibits, which are

1 incorporated by this reference as though fully set forth herein. Any Exhibits to this Agreement are
2 an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this
3 Agreement are inserted for convenience of reference only and do not constitute a part of this
4 Agreement.

5 **36. Interim Stay of Proceedings**

6 The Parties agree to stay all proceedings in Plaintiffs' Actions, except such proceedings
7 necessary to implement and complete the Settlement, pending the Final Approval Hearing to be
8 conducted by the Court. Defendant will not be obligated to file an answer to the Complaint.

9 **37. Amendment or Modification**

10 This Agreement may be amended or modified only by a written instrument signed by
11 counsel for all Parties or their successors-in-interest.

12 **38. Entire Agreement**

13 This Agreement and any attached Exhibits constitute the entire Agreement among these
14 Parties, and no oral or written representations, warranties, or inducements have been made to any
15 Party concerning this Agreement or its Exhibits other than the representations, warranties, and
16 covenants contained and memorialized in the Agreement and its Exhibits. The Parties are entering
17 in to this Agreement based solely on the representations and warranties herein and not based on
18 any promises, representation, and/or warranties not found herein.

19 **39. Authorization to Enter into Settlement Agreement**

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

Defendant represent and warrant that they are authorized to sign this Agreement on behalf of Defendant. Plaintiffs represents and warrants that they are authorized to sign this Agreement and that they have not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

40. Binding on Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

41. California Law Governs

All terms of this Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

42. Counterparts

This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

43. Jurisdiction of the Court

The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

44. Invalidity of Any Provision

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

45. Publicity

Plaintiffs and Class Counsel agree not to disclose or publicize this Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except potential Settlement Class Members and as shall be contractually required to effectuate the terms of the Settlement. For the

avoidance of doubt, this section means Plaintiffs and Class Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording, website or social media post, or any other medium, with any person or entity concerning the Settlement, including the fact of the settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the Parties in Plaintiffs' Actions and the venue/case number of Plaintiffs' Actions (but not any other settlement details) for such purposes.

46. No Unalleged Claims

Plaintiffs and Class Counsel represent that they, as of the date of execution of this Settlement, (a) are not currently aware of any unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this Settlement, (b) they have no current intention of asserting any other claims against Defendant or any of the Released Parties in any judicial or administrative forum, and (c) that they do not currently represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendant or any of the Released Parties. Nothing in this Paragraph will be construed as a restraint on the right of any counsel to practice.

47. Notice of Settlement to LWDA.

Plaintiffs will provide submit this Agreement and proposed settlement to the Labor Workforce Development Agency ("LWDA") as required by Labor Code Section 2699(l)(2) at the same time that it is submitted to the Court for preliminary approval.

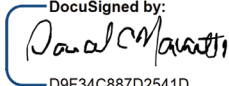
WHEREFORE, Plaintiffs, on behalf of themselves and the Settlement Class members, and Defendant has executed this Agreement as of the dates set forth below.

IT IS SO AGREED:

///

///

1 Dated: 3/11/2025
2 _____

DocuSigned by:
By: 
D9F34C887D2541D...

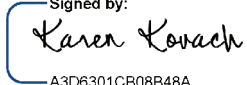
Darcel Celeste Navarrette

3
4 Dated: _____

By: _____

Elizabeth Quiroga Carrero

5
6
7 Dated: 3/28/2025
8 _____

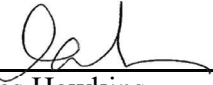
Signed by:
By: 
A3D6301CB08B48A...

Interstate Management Company, LLC

9
10 **APPROVED AS TO FORM:**

11 DATED: March 11, 2025

JAMES HAWKINS APLC

12
13 By: 
14 James Hawkins,
15 Gregory Mauro
16 Lauren Falk

Attorneys for Plaintiffs and Proposed Class

17 DATED: _____, 2025

SOLOUKI | SAVOY, LLP

18
19 By: _____
20 Shoham J. Solouki
21 Grant Joseph Savoy

Attorneys for Plaintiffs and Proposed Class

22
23 DATED: March 28, 2025

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

24
25 By: 
26 Linda Claxton

27 Attorneys for Defendants
28 INTERSTATE MANAGEMENT COMPANY,
LLC and AIMBRIDGE HOSPITALITY, LLC

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: _____

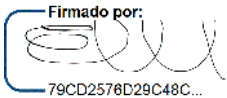
By: _____

Darcel Celeste Navarrette

4/21/2025

Dated: _____

By: _____

Firmado por:

79CD2576D29C48C...

Elizabeth Quiroga Carrero

Dated: _____

By: _____

Interstate Management Company, LLC

APPROVED AS TO FORM:

DATED: _____, 2025

JAMES HAWKINS APLC

By: _____

James Hawkins,
Gregory Mauro
Lauren Falk

Attorneys for Plaintiffs and Proposed Class

DATED: April 21 _____, 2025

SOLOUKI | SAVOY, LLP

By: Shoham Solouki

Shoham J. Solouki
Grant Joseph Savoy

Attorneys for Plaintiffs and Proposed Class

DATED: _____, 2025

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

By: _____
Linda Claxton

Attorneys for Defendants
INTERSTATE MANAGEMENT COMPANY,
LLC and AIMBRIDGE HOSPITALITY, LLC

EXHIBIT “A”

NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Darcel Celeste Navarrette and Elizabeth Quiroga Carrero v. Interstate Management Company, LLC, Case No. MCV087491

A California court authorized this notice. This is not a solicitation from a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Interstate Management Company, LLC (“Interstate” or “Defendant”) for alleged wage and hour violations. The Action was filed by former Interstate employees (“Plaintiffs”) and seeks payment of (1) back wages (2) meal and rest period premiums, (3) reimbursement of business expenses, (4) penalties and interest for a class of hourly employees (“Class Members”) who worked for Interstate during the Class Period (August 12, 2018 through December 31, 2019 and February 1, 2023 through March 4, 2025); and (5) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for Interstate during the PAGA Period (February 1, 2023 through March 4, 2025) (“PAGA Group Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Interstate to fund Individual Class Payments, and (2) a PAGA Settlement requiring Interstate to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Interstate to make payments under the Settlement and requires Class Members and PAGA Group Employees to give up their rights to assert certain claims against Interstate.

If you worked for Interstate during the Class Period, you have the following legal rights and options:

Do Nothing	You do not need to take any action if you wish to receive your settlement payment. If the settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator. If your address has changed, you must notify the Settlement Administrator of your new address. In exchange for the settlement payment, you will release claims against Interstate, as detailed below.
Exclude Yourself	To exclude yourself, you must send the written Request for Exclusion to the Settlement Administrator by the applicable deadline, as detailed below. If you request exclusion, you will receive no money from the class settlement. This is the only option that allows you to ever be part of any other lawsuit against Interstate about the legal claims that were brought in this case. Even if you exclude yourself, you will still be an Aggrieved Employee subject to the PAGA settlement.
Object	Write to the Settlement Administrator about why you don’t like the settlement by the applicable deadline, as detailed below, and/or appear at the Final Approval Hearing to make an oral objection.
Go to a Hearing	Ask to speak in Court about the fairness of the settlement, as detailed below.

Interstate will not retaliate against you for any actions you take regarding the settlement.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a class action lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the Class on whose behalf this class action lawsuit has been brought.

WHAT IS THE ACTION ABOUT?

Plaintiffs are former Interstate employees. The Action accuses Interstate of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action (“Class Counsel.”):

James R. Hawkins
 Gregory Mauro
 Michael Calvo
 Lauren Falk
 James Hawkins APLC
 9880 Research Drive, Suite 200
 Irvine, CA 92618
 Telephone: (949) 387-7200

Shoham J. Solouki
 Grant Joseph Savoy
 Solouki/Savoy, LLP
 316 W. 2nd Street, Suite 1200
 Los Angeles, CA 90012
 Telephone: (213) 814-4940

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendant. Plaintiff believes he would have prevailed on his claims at a trial. Defendant does not believe that Plaintiff would have won anything from a trial. There has been no trial. Instead, both sides agreed to a settlement, which is memorialized in the Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement Agreement”), in order to avoid the further costs, risks, and uncertainty of a trial. Plaintiff and Plaintiff’s Attorneys believe the settlement is fair, reasonable, adequate, and in the best interests of all Class Members.

B. Who is in the Settlement Class? Who is an Aggrieved Employee?

The Settlement encompasses a class composed of all persons who worked for Defendant as a non-exempt employee or equivalent position in California at any time from August 12, 2018 through December 31, 2019 and February 1, 2023 through March 4, 2025. It also encompasses Aggrieved Employees composed of all persons who worked for Defendant in California as a non-exempt employee or equivalent position at any time from February 1, 2023 through March 4, 2025 (the “PAGA Period”).

C. What does the Settlement provide?

1. Gross Settlement Amount.

Defendant will pay \$2,000,000 (the “Gross Settlement Amount”) to settle the lawsuit.

2. Net Settlement Proceeds.

The “Net Settlement Proceeds” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Proceeds is the Gross Settlement Amount less the following amounts that will be requested at the Final Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will set these amounts at the Final Approval Hearing.

(a) **Class Counsel’s Attorney’s Fees** in an amount set by the Court, not to exceed \$700,000.00;

(b) **Class Counsel’s Documented Litigation Costs/Expenses** in an amount set by the Court, not to exceed \$50,000.00;

(c) **Incentive Award Payment to the Class Representatives** in an amount set by the Court, not to exceed \$10,000.00 each for their service in the Action;

(d) **Settlement Administration Costs** not exceed \$33,000.00, for administering the settlement; and

(e) **PAGA Payment** in the total amount of \$100,000.00 for the settlement of claims arising under the California Private Attorneys General Act (“PAGA”). Of that amount, 75% or \$75,000.00, shall be paid to the California Labor and Workforce Development Agency (“LWDA”). The remaining 25%, or \$25,000.00, shall be included in the Net Settlement Proceeds for payment to Aggrieved Employees.

3. Individual Settlement Payment.

Your share of the Net Settlement Proceeds will be determined by the formula detailed in section E below.

D. What Are You Giving Up To Get A Payment Or Stay In The Class?

Upon the Effective Date, and subject to Defendant’s full payment of the Gross Settlement Amount and all associated employer payroll tax obligations, Plaintiff and all Settlement Class Members who do not timely opt-out of the Settlement will release the Released Class Claims against Interstate, and any of its former and present parents, subsidiaries, affiliates, officers, directors, employees, partners, shareholders, attorneys, joint venturers, agents, successors, assigns, and legal representatives. (“Released Parties”).

Upon the Effective Date, and subject to Defendant’s full payment of the Gross Settlement Amount and all associated employer payroll tax obligations, Plaintiff and Aggrieved Employees, including those who opt out of the Class Settlement, will release all Released PAGA claims against the Released Parties alleged in the operative complaint.

“Released Class Claims” means any and all claims, causes of action, and factual or legal theories that were alleged in the Complaint, or reasonably could have been alleged based on the facts and legal theories of the Complaint during the Class Period, including all of the following claims for relief: (a) failure to provide meal periods and to properly provide premium pay in lieu thereof; (b) failure to provide rest periods and to properly provide premium pay in lieu thereof; (c) failure to pay all wages timely at the time of termination and/or during employment; (d) failure to provide complete, accurate or properly formatted wage statements; (e) failure to indemnify necessary business expenses, (f) unfair business practices that could have been premised on the claims, causes of action or legal theories based on the Complaint; (g) all claims under the California Labor Code Private Attorneys General Act of 2004 that are alleged in the Complaint including the proposed Second Amended Complaint or reasonably could have been alleged based on the facts and legal theories contained in the Amended Class Action and PAGA Complaint; and (h) all damages, penalties, interest, and other amounts recoverable under each of the preceding claims, causes of action, or legal theories of relief (collectively referred to as the “Released Claims”).

“Released PAGA Claims” means any and all claims, causes of action, and factual or legal theories that were alleged in the Second Amended Complaint, or reasonably could have been alleged based on the facts and legal theories of the Amended Class Action and PAGA Complaint during the PAGA Period for civil penalties pursuant to the PAGA for Defendant’s alleged failure to: (a) pay wages including overtime, (b) provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) provide rest periods and to properly provide premium pay in lieu thereof; (d) failure to pay all wages earned and owed upon separation from Defendant’s employ, (e) failure to provide complete, accurate or properly formatted wage statements, and (f) failure to reimburse expenses. No Aggrieved Employee may opt out of the PAGA portion of the Settlement.

E. How Is My Share of The Settlement Calculated?

Each Settlement Class Member (those who do not opt out of the Settlement) shall receive an “Individual Settlement Payment,” which is distributable to each Class Member who participates in the Settlement (i.e., who does not submit a valid request for exclusion form), and a PAGA portion of the Individual Settlement Payment, which is distributable to each Aggrieved Employee regardless of whether they participate in the Settlement (Aggrieved Employees will receive the PAGA portion of the Individual Settlement Payment even if they exclude themselves from the Settlement).

“Individual Settlement Payment” means the amount paid from the Net Settlement Fund to a Settlement Class Member, based upon his/her Compensable Work Weeks. As to participating Class Members, the class portion of the Individual Settlement Payment will be determined by dividing the Net Settlement Proceeds, less the \$25,000_ PAGA allocation, by the total number of weeks worked by the entire Settlement Class during their work for Defendant as a non-exempt employee or equivalent position during the Class Period, net of opt outs, resulting in the class workweek value; and then multiplying the class workweek value by the number of weeks worked by each participating Class Member as a non-exempt employee or equivalent position during the Class Period.

As to the Aggrieved Employees, the PAGA portion of the Individual Settlement Payment will be determined by dividing the PAGA settlement amount (\$25,000.00) by the total number of weeks worked by all Aggrieved Employees during their work for Defendant as a non-exempt employee or equivalent position during the PAGA Period, resulting in the PAGA workweek value; and then multiplying the PAGA workweek value by the number of weeks worked by each Aggrieved Employee as a non-exempt employee or equivalent position during the PAGA Period.

For tax purposes, the class portion of each Individual Settlement Payment will be apportioned (a) 10% as wages (reported on an IRS Form W-2 and subject to applicable withholdings); and (b) 90% equally as penalties and interest (reported on an IRS Form 1099, if required). The PAGA portion of each Individual Settlement Payment will be apportioned 100% as penalties (reported on an IRS Form 1099, if required). All Individual Settlement Payments paid to Class Members and Aggrieved Employees will be subject to any applicable wage garnishments, liens, or other legally mandated treatment as required by law.

Settlement Class Payment: According to the records of Defendant, you worked [REDACTED] weeks as a non-exempt employee or equivalent position in California at any time from August 12, 2018 through December 31, 2019 and February 1, 2023 through March 4, 2025). Based on these weeks worked, you are entitled to an Individual Settlement Payment of approximately \$[REDACTED]. This amount is subject to change based on the final ruling of the Court.

PAGA Payment: According to the records of Defendant, you worked [REDACTED] weeks as a non-exempt employee or equivalent position at any time from February 1, 2023 through March 4, 2025. Based on these weeks worked, you are entitled to a PAGA Payment Amount of approximately \$[REDACTED]. This amount is subject to change based on the final ruling of the Court.

Please be advised that the individual data above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the data, please submit an explanation and evidence in support of your position to the Settlement Administrator no later than [REDACTED], 2025. In the event of a dispute, the Settlement Administrator will resolve the challenge with input from the Defendant and will make a final and binding determination without a hearing or right of appeal by you.

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the “Final Settlement Hearing”) on [REDACTED], at [REDACTED], in the Courtroom of Judge [REDACTED] of the Madera County Superior Court, Department [REDACTED], located at [REDACTED]. The Court will determine: (i) whether the lawsuit should finally be certified as a class action for settlement purposes; (ii) whether the settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (iii) whether the Settlement Class Members should be bound by the terms of the settlement; (iv) the amount of the attorney’s fees and costs to be awarded to Plaintiff’s Attorneys; and (v) the amount that should be awarded to Plaintiff as an incentive award payment. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move, you must update your address with the Settlement Administrator. If you disagree with pre-printed data indicated in section E above, you must submit an explanation and/or documentation to the Settlement Administrator to justify your position, postmarked no later than [REDACTED]. The Settlement Administrator's address is [Settlement Administrator address].

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator at [Settlement Administrator address]. Written objections must be postmarked no later than [REDACTED].

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself ("opt out") from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement except you will participate in the PAGA portion thereof and be paid a share of the PAGA settlement. With that exception, you will not be bound by a judgment in this case and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. You can opt out of the Class by completely filling out and mailing the enclosed Request for Exclusion Form to the Settlement Administrator at the above-stated address, such that it is postmarked no later than [REDACTED].

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed "Settlement Agreement and Release of Claims" which is on file with the Clerk of the Court. The pleadings and other records in the Lawsuit may be examined at any time during regular business hours at the Office of the Clerk of the Madera County Superior Court, located at [REDACTED].

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at [address], [telephone number].

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.

REQUEST FOR EXCLUSION

ONLY COMPLETE THIS REQUEST FOR EXCLUSION FORM IF YOU WANT TO OPT OUT OF (NOT PARTICIPATE IN) THE SETTLEMENT OF THE ACTION KNOWN AS Darcel Celeste Navarrette and Elizabeth Quiroga Carrero v. Interstate Management Company, LLC, Madera County Superior Court Case No. MCV087491. **IF YOU OPT OUT OF THE SETTLEMENT, YOU WILL NOT RECEIVE ANY PORTION OF THE SETTLEMENT AMOUNT.**

I confirm that I worked for Interstate Management, LLC as a non-exempt/hourly employee in California during the Class Period (August 12, 2018 through December 31, 2019 and February 1, 2023 through March 4, 2025).

I do not wish to receive any payment under the terms of the proposed class action settlement or to otherwise participate in the proposed settlement.

Date: _____

Signature: _____

Print Name: _____

Residence Street Address: _____

City, State and Zip Code: _____

IN ORDER TO BE VALID, THIS REQUEST FOR EXCLUSION FORM MUST BE COMPLETED, SIGNED, MAILED BY FIRST CLASS MAIL, AND POSTMARKED ON OR BEFORE **[45 days after mailing of Notice]**. Send this signed request for exclusion form to the Settlement Administrator:

_____ Claims Administrator

c/o _____
