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individually and on behalf of all others similarly
situated

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

KARLA GODINEZ, as an individual and on
behalf of others similarly situated,

Plaintiff,

vs.

MERRITT HOSPITALITY, LLC, and DOES
1-50, inclusive,

Defendants.

Case No. 8:20-cv-00941-JWH-KES

**Assigned for all purposes to Hon. John W.
Holcomb**

**JOINT STIPULATION FOR CLASS
ACTION SETTLEMENT**

IT IS HEREBY STIPULATED, by and between plaintiff Karla Godinez, individually and
on behalf of all others similarly situated, on the one hand, and defendant Merritt Hospitality, LLC,
on the other hand, and subject to the approval of the Court, that the claims alleged in the Action are
hereby compromised and settled pursuant to the terms and conditions set forth in this Stipulation
of Class Action Settlement (“Stipulation”) and that the Court shall make and enter judgment, subject

1 to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals,
2 and terms set forth herein which by this reference become an integral part of this Stipulation.

3 **DEFINITIONS**

4 1. "Action" means the putative class and PAGA action entitled *Godinez v. Merritt*
5 *Hospitality, LLC*, United States District Court Case No. 8:20-cv-00941-JWH-KESx.

6 2. "Aggrieved Employees" means all current and former non-exempt employees of
7 Defendant in California at any time during the PAGA Period, excluding employees who were
8 employed by Defendant at the Warner Center Marriott and the Hilton Santa Cruz/Scotts Valley.

9 3. "Class Counsel" means Armon M. Jackson of Jackson Law, APC.

10 4. "Class Counsel Award" means reasonable attorneys' fees for Class Counsel's
11 litigation and resolution of this Action (not to exceed one-third of the Maximum Settlement
12 Amount), and Class Counsel's expenses and costs reasonably incurred in connection with this
13 Action.

14 5. "Class Information" means information regarding Class Members that Defendant
15 shall in good faith compile from its records and shall be authorized by the Court to transmit in a
16 secured manner to the Settlement Administrator. Class Information shall be transmitted in
17 electronic form and shall include each Class Member's full name; last known address; Social
18 Security number; and total number of Compensable Workweeks during the Class Period and PAGA
19 Period.

20 6. "Class Members" means all current and former non-exempt employees of Defendant
21 in California at any time during the Class Period, excluding employees who were employed by
22 Defendant at the Warner Center Marriott and the Hilton Santa Cruz/Scotts Valley.

23 7. "Class Notice" means the Notice of Class Action Settlement, substantially in the
24 form attached hereto as **Exhibit 1**, which shall be subject to Court approval and which the Settlement
25 Administrator shall mail to each Class Member explaining the terms of this Stipulation and the
26 Settlement, in both English and Spanish.

27 8. "Class Period" means the period from January 29, 2016 through date the Court grants
28 preliminary approval of the Class Action Settlement or November 2, 2021, whichever is earliest.

1 9. “Class Representative Service Award” means the amount the Court authorizes to be
2 paid to Plaintiff, in addition to Plaintiff’s Individual Settlement Payment, in recognition of Plaintiff’s
3 effort and risk in prosecuting the Action.

4 10. “Compensable Workweeks” means the total number of weeks during which a Class
5 Member or Aggrieved Employee performed work as a non-exempt employee of Defendant in
6 California during the Class Period and/or PAGA Period, based on Defendant’s records, and which
7 shall be used to calculate Individual Settlement Payments.

8 11. “Defendant” means defendant Merritt Hospitality, LLC.

9 12. “Defense Counsel” means Jeffrey P. Fuchsman of Ballard, Rosenberg, Golper &
10 Savitt, LLP.

11 13. “Effective Date” means the latter of: (a) the sixty-first (61st) day after the date upon
12 which the Judgment is entered; or (b) if an appeal, review or writ is sought from the Judgment, the
13 date upon which all appellate and/or other proceedings resulting from the appeal, review or writ
14 have been finally terminated in such a manner as to permit the Judgment to take effect in
15 substantially the form described herein.

16 14. “Employer’s Share of Payroll Taxes” means Defendant’s portion of payroll taxes,
17 including, but not limited to FICA and FUTA, on the portion of the Individual Settlement Payments
18 that constitutes wages. The Employer’s Share of Payroll Taxes shall be submitted by Defendant to
19 the Settlement Administrator in addition to the Maximum Settlement Amount.

20 15. “Final Approval Hearing” means the hearing to be conducted by the Court after the
21 filing of an appropriate motion by Plaintiff and following appropriate notice to Class Members
22 giving Class Members an opportunity to request exclusion from the class and Settlement and to
23 object to the Settlement, at which time Plaintiff shall request that the Court finally approve the
24 Settlement, enter the Judgment, and take other appropriate action.

25 16. “Individual Settlement Payment” means the amount payable from the Net Settlement
26 Amount to each Participating Class Member and Aggrieved Employee.

27 17. “Information Sheet” means the form that shall be prepared by the Settlement
28 Administrator and sent to each Class Member that sets forth the total number of Compensable

1 Workweeks and the estimated Individual Settlement Payment for the Class Member, substantially
2 in the form attached hereto as **Exhibit 2**.

3 18. "Judgment" means the judgment to be entered by the Court upon granting final
4 approval of the Settlement and this Stipulation as binding upon the Parties and Participating Class
5 Members.

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

7 20. "LWDA Payment" means the portion of the PAGA Payment payable to the LWDA.

8 21. "Maximum Settlement Amount" means the maximum amount Defendant shall have
9 to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all
10 Individual Settlement Payments to Participating Class Members, the Class Counsel Award, the
11 Class Representative Service Award, Settlement Administration Costs, and the PAGA Payment.
12 Subject to Court approval and the terms of this Stipulation, the Maximum Settlement Amount that
13 Defendant shall be required to pay is One Million Seven Hundred Fifty Thousand Dollars
14 (\$1,750,000.00).

15 22. "Net Settlement Amount" means the Maximum Settlement Amount, less the Class
16 Counsel Award, the Class Representative Service Award, Settlement Administration Costs, and the
17 PAGA Payment.

18 23. "Notice of Objection" means a Class Member's written objection to the Settlement.

19 24. "Notice Packet" means the packet of documents which shall be mailed to all Class
20 Members by the Settlement Administrator, including the Class Notice and Information Sheet, in
21 both English and Spanish.

22 25. "Owners" mean the entities which owned the various properties managed by
23 Defendant in California where Class Members and Aggrieved Employees worked during the Class
24 Period and PAGA Period, including: RP SCS WSD Hotel, LLC; Bearcats Lessee LLC; 100 WGB
25 Hotel Operator LLC; NA Glendale, LLC; CHSP TRS Santa Barbara, LLC; KHP IV Santa Barbara
26 TRSLLC; CHSPTRS San Francisco LLC; HMC Suites Limited Partnership; MSP Costa Mesa, L.P.;
27 HEI La Jolla LLC; La Jolla 2 Hotel Operator LLC; SWVP Monterey LLC; SPUS7 Redwood City
28 Hotel Lessee, LLC; AREPIII PSF Operator, LLC; JMIR RSF Operator LLC; Hollywood & Vine

1 Living Room, LLC; Hollywood & Vine Restaurant Operator, LLC; HST Hollywood LLC; Pasadena
2 Hotel Operator, LLC; and AGRE DCP Palm Springs, LLC.

3 26. "PAGA" means the Labor Code Private Attorneys General Act of 2004, California
4 Labor Code sections 2698, et seq.

5 27. "PAGA Payment" means the amount payable from the Maximum Settlement
6 Amount to resolve the PAGA claim alleged in the Action, of which seventy-five percent (75%) shall
7 be paid to the LWDA and twenty-five percent (25%) shall be paid to Aggrieved Employees.

8 28. "PAGA Period" means the period from May 10, 2019 through the date the Court
9 grants preliminary approval to the Class Action Settlement or November 2, 2021, whichever is
10 earliest.

11 29. "Participating Class Members" means Plaintiff and all other Class Members who do
12 not submit a valid and timely Request for Exclusion.

13 30. "Parties" means Plaintiff and Defendant.

14 31. "Plaintiff" means plaintiff Karla Godinez.

15 32. "Preliminary Approval Order" means the order to be issued by the Court approving
16 and authorizing the mailing of the Notice Packet by the Settlement Administrator, setting the date
17 of the Final Approval Hearing and granting preliminary approval of the Settlement set forth in this
18 Stipulation, among other things.

19 33. "Released Parties" means Defendant, Owners, and their respective present or former
20 parents, owners, subsidiaries, and any affiliated or related persons or entities and each of their
21 respective officers, directors, employees, partners, shareholders, members, attorneys, agents, and
22 any other predecessors, successors, assigns, or legal representatives.

23 34. "Request for Exclusion" means a written request by a Class Member to opt out of,
24 or exclude oneself from, the Settlement.

25 35. "Response Deadline" means the date forty-five (45) days after the Settlement
26 Administrator mails the Notice Packets to Class Members and the last date on which Class Members
27 may submit a Request for Exclusion, Notice of Objection, or dispute regarding the number of
28 Compensable Workweeks stated on their respective Information Sheet.

36. “Settlement” means the final and complete disposition of the Action pursuant to this Stipulation.

37. “Settlement Administration Costs” means the reasonable costs and fees of administering the Settlement to be paid from the Maximum Settlement Amount, including, but not limited to: (i) printing, mailing and re-mailing (if necessary) of Notice Packets to Class Members, in both English and Spanish; (ii) preparing and submitting to Participating Class Members and government entities all appropriate tax filings and forms; (iii) computing the amount of and distributing Individual Settlement Payments, the Class Representative Service Award, the Class Counsel Award, and the LWDA Payment; (iv) processing and validating Requests for Exclusion and Notices of Objection; (v) establishing a Qualified Settlement Fund (“QSF”), as defined by the Internal Revenue Code; and (vi) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement.

38. Settlement Administrator” means Phoenix Settlement Administrators.

RECITALS

39. Procedural History. On January 29, 2020, Plaintiff filed this wage and hour class action lawsuit against Defendant in Orange County Superior Court, which was thereafter removed to the United States District Court for the Central District of California. Plaintiff’s operative first amended complaint alleges causes of action for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay the one hour premiums; (4) failure to provide rest periods or pay the one hour premium; (5) failure to timely pay all wages due during employment and upon termination; (6) failure to furnish accurate itemized wage statements and maintain records; (7) failure to indemnify employees for necessary expenditures; (8) unfair and unlawful business practices; and (9) civil penalties under PAGA, as a representative action.

40. Defendant filed an answer to Plaintiff’s complaint on May 14, 2020.

41. On September 2, 2021, the Parties participated in a private mediation session with mediator Mark Rudy, Esq. At the end of the mediation, Mr. Rudy made a mediator’s proposal outlining the material terms of a proposed class action settlement. On September 28, 2021, the

1 Parties accepted the mediator's proposal, subject to the Parties entering into a more comprehensive
2 written settlement agreement.

3 42. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class
4 Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiff's
5 claims in the Action through trial and through any possible appeals. Plaintiff also has taken into
6 account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays
7 inherent in such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof
8 necessary to establish liability for the claims asserted in the Action, both generally and in response
9 to Defendant's defenses thereto, and the difficulties in establishing damages, penalties, restitution
10 and other relief sought in the Action. Plaintiff and Class Counsel also have taken into account
11 Defendant's agreement to enter into a settlement that confers substantial benefits upon the Class
12 Members. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement
13 set forth in this Stipulation is fair, adequate, and reasonable and is in the best interests of all Class
14 Members.

15 43. Defendant's Reasons for Settlement. Defendant has concluded that any further
16 defense of the Action would be protracted and expensive for all Parties. Substantial amounts of
17 Defendant's time, energy, and resources have been, and unless this Settlement is completed, shall
18 continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken
19 into account the risks of further litigation in reaching its decision to enter into this Settlement. Even
20 though Defendant contends it is not liable for any of the claims alleged by Plaintiff in the Action,
21 Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this
22 Stipulation and to put to rest the claims alleged in this Action. Defendant has asserted and continues
23 to assert that the claims alleged by Plaintiff have no merit and do not give rise to any liability,
24 damages, restitution, penalties or other payments. This Stipulation is a compromise of disputed
25 claims. Nothing contained in this Stipulation, no documents referred to herein, and no action taken
26 to carry out this Stipulation, shall be construed or used as an admission by or against Defendant as
27 to the merits or lack thereof of the claims asserted in the Action. Defendant contends that it has
28 complied with all applicable state, federal and local laws.

TERMS OF SETTLEMENT

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

44. Binding Settlement. This Settlement shall bind the Parties and all Participating Class Members and Aggrieved Employees, subject to the terms and conditions hereof and the Court's approval.

45. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments specified herein, and Class Members are not relying on any statement or representation by the Parties, Class Counsel, or Defense Counsel in this regard. Participating Class Members and Class Counsel understand and agree that they shall be responsible for the payment of all taxes and penalties assessed on the payments specified herein, and shall hold the Parties, Class Counsel, and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

46. Circular 230 Disclaimer. THE PARTIES ACKNOWLEDGE AND AGREE THAT (1) NO PROVISION OF THIS STIPULATION, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES, CLASS COUNSEL, OR DEFENSE COUNSEL 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 STIPULATION, (B) HAS NOT ENTERED INTO THIS STIPULATION 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

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

8 47. Preliminary Approval of Settlement. Plaintiff shall move the Court to enter the
9 Preliminary Approval Order, thereby provisionally certifying the class for settlement purposes only
10 and setting a Final Approval Hearing date. The Parties agree to work diligently and cooperatively
11 to have this Settlement presented to the Court for preliminary approval. The Preliminary Approval
12 Order shall provide for, among other things, the Notice Packet to be sent to Class Members as
13 specified herein. The Parties agree that provisional certification of the class is for settlement
14 purposes only and is in no way an admission by Defendant in the Action or in any other proceeding
15 that class certification is proper.

16 48. Release of Claims.

17 a. Participating Class Members' Released Claims. Upon Defendant
18 providing the Maximum Settlement Amount to the Settlement Administrator, all Participating Class
19 Members shall be deemed to have released the Released Parties of any and all claims, demands,
20 rights, liabilities, and/or causes of action that were pleaded or could have been pleaded based upon
21 the factual allegations set forth in the operative first amended complaint filed in this Action and
22 arising at any time during the Class Period, including claims for (1) failure to pay minimum wages;
23 (2) failure to pay overtime wages; (3) failure to provide meal periods or pay the one hour premium;
24 (4) failure to provide rest periods or pay the one hour premium; (5) failure to timely pay all wages
25 due during employment and upon termination; (6) failure to furnish accurate itemized wage
26 statements and maintain records; (7) failure to indemnify employees for necessary expenditures;
27 and (8) unfair and unlawful business practices.

1 b. Aggrieved Employees' Released Claims. In addition to the release
2 set forth in Paragraph 48.a. above, upon Defendant providing the Maximum Settlement Amount to
3 the Settlement Administrator, all Aggrieved Employees shall be deemed to have released the
4 Released Parties of any and all claims and/or causes of action under PAGA which are based upon
5 the factual allegations set forth in the operative first amended complaint and arising at any time
6 during the PAGA Period, including claims based on (1) failure to pay minimum wages; (2) failure
7 to pay overtime wages; (3) failure to provide meal periods or pay the one hour premium; (4) failure
8 to provide rest periods or pay the one hour premium; (5) failure to timely pay all wages due during
9 employment and upon termination; (6) failure to furnish accurate itemized wage statements and
10 maintain records; (7) failure to indemnify employees for necessary expenditures; and (8) unfair and
11 unlawful business practices. An Aggrieved Employee is subject to this release even if the Aggrieved
12 Employee requests exclusion from the class action settlement.

13 c. Plaintiff's Released Claims. Upon Defendant providing the
14 Maximum Settlement Amount to the Settlement Administrator, Plaintiff shall be deemed to have
15 released the Released Parties from any and all claims, demands, rights, liabilities, and/or causes, of
16 any form whatsoever, arising under federal, state, local, or common laws, rules, or regulations,
17 whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that have been or
18 could have been asserted by Plaintiff, or Plaintiff's heirs, successors and/or assigns, whether
19 directly, indirectly, representatively, derivatively or in any other capacity, against Defendant or any
20 of the other Released Parties, arising at any time prior to entry of the Judgment, including but not
21 limited to those claims raised in the Action, and those arising from or related to Plaintiff's
22 employment with or work for Defendant. This release excludes only the release of claims not
23 permitted by law.

24 As to the Released Claims only, Plaintiff expressly waives all rights and benefits under the
25 terms of section 1542 of the California Civil Code. Section 1542 reads as follows:

26 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
27 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT**
28 **TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**

1 **RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
2 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
3 **DEBTOR OR RELEASED PARTY.**

4 Notwithstanding the provisions of section 1542, and for the purpose of implementing a full
5 and complete release and discharge of all of her Released Claims, Plaintiff expressly acknowledges
6 that this Settlement is intended to include in its effect, without limitation, all Released Claims which
7 Plaintiff does not know or suspect to exist in her favor at the time of execution hereof, and that the
8 Settlement contemplates the extinguishment of all such Released Claims.

9 49. Settlement Administration.

10 a. Within fourteen (14) days of entry of the Preliminary Approval Order,
11 Defendant shall provide the Settlement Administrator with the Class Information for purposes of
12 mailing the Notice Packets to Class Members.

13 (i) Notice by First Class U.S. Mail. Upon receipt of the Class Information,
14 the Settlement Administrator shall perform a search based on the National Change of Address
15 Database maintained by the United States Postal Service to update and correct any known or
16 identifiable address changes. Within fourteen (14) days after receiving the Class Information from
17 Defendant as provided herein, the Settlement Administrator shall mail copies of the Notice Packet
18 to all Class Members via regular First Class U.S. Mail. The Settlement Administrator shall exercise
19 its best judgment to determine the current mailing address for each Class Member. The address
20 identified by the Settlement Administrator as the current mailing address shall be presumed to be
21 the most current mailing address for each Class Member. The Parties agree that this procedure for
22 notice provides the best notice practicable to Class Members and fully complies with due process.

23 ii. Undeliverable Notice Packets. Any Notice Packet returned to the
24 Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed
25 to the forwarding address affixed thereto within five (5) days of the Settlement Administrator's
26 receipt of the returned Notice Packet. If no forwarding address is provided, the Settlement
27 Administrator shall promptly attempt to determine a correct address by the use of skip-tracing, or
28 other type of automated search, using the name, address and/or Social Security number of the Class

1 Member involved, and shall then perform a re-mailing to the Class Member whose Notice Packet
2 was returned as non-deliverable within five (5) days of the Settlement Administrator's receipt of the
3 returned Notice Packet, assuming another mailing address is identified by the Settlement
4 Administrator. If a Notice Packet is re-mailed to a Class Member less than ten (10) days prior to
5 the Response Deadline, the Class Member shall have their Response Deadline extended by ten (10)
6 days from the date the Settlement Administrator re-mails the Notice Packet. If these procedures are
7 followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended
8 recipient of the Notice Packet does not receive the Notice Packet, the intended recipient shall
9 nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the
10 Judgment.

11 iii. Determination of Individual Settlement Payments: The Settlement
12 Administrator shall determine the eligibility for, and the amount of, each Individual Settlement
13 Payment under the terms of this Stipulation. The Settlement Administrator's determination of the
14 eligibility for and amount of each Individual Settlement Payment shall be binding upon the Class
15 Member and the Parties, yet subject to review by Class Counsel, Defense Counsel, and the Court.
16 In the absence of fraud or gross negligence, Defendant's records shall be presumed accurate.

17 iv. Disputes Regarding Administration of Settlement. Any dispute not
18 resolved by the Settlement Administrator concerning the administration of the Settlement shall be
19 resolved by the Court. Prior to any such involvement of the Court, counsel for the Parties shall
20 confer in good faith and make use of the services of mediator Mark Rudy, if necessary, to resolve
21 the dispute without the necessity of involving the Court.

22 b. Exclusions: The Class Notice shall explain that Class Members who wish to
23 exclude themselves from the class and Settlement must submit a Request for Exclusion to the
24 Settlement Administrator by the Response Deadline. The Request for Exclusion must: (1) contain
25 the name, address, and telephone number of the person requesting exclusion; (2) be signed by the
26 Class Member; and (3) be postmarked by the Response Deadline and returned to the Settlement
27 Administrator at the specified address. Subject to review by Class Counsel, Defense Counsel, and
28 the Court, the date of the postmark on the return mailing envelope on the Request for Exclusion

1 shall be the exclusive means used by the Settlement Administrator to determine whether a Class
2 Member has timely requested exclusion from the class and Settlement. Any Class Member who
3 timely and properly requests to be excluded from the class and Settlement shall not be entitled to
4 any benefits under the Settlement and shall not be bound by the terms of the Settlement nor shall
5 the Class Member have any right to object to the Settlement or appeal from the entry of the
6 Judgment. Class Members who do not submit a valid and timely Request for Exclusion on or before
7 the Response Deadline shall be bound by all terms of the Settlement and the Judgment entered in
8 this Action if the Settlement is finally approved by the Court. No later than ten (10) days after the
9 Response Deadline, the Settlement Administrator shall provide counsel for the Parties a complete
10 list of all Class Members who submitted a timely and valid Request for Exclusion. An Aggrieved
11 Employee who submits a timely Request for Exclusion shall still receive his or her pro rata portion
12 of the PAGA Payment and is covered by the PAGA Release.

13 c. Objections: The Class Notice shall state that Class Members who wish to
14 object to the Settlement must submit to the Settlement Administrator a Notice of Objection by the
15 Response Deadline or appear at the Final Approval Hearing to explain their objection(s). A Notice
16 of Objection must (1) state the full name of the Class Member; (2) be signed by the Class Member;
17 (3) state the grounds for the objection; and (4) be postmarked by the Response Deadline and returned
18 to the Settlement Administrator at the specified address. Subject to review by Class Counsel,
19 Defense Counsel, and the Court, the date of the postmark on the return mailing envelope on the
20 Notice of Objection shall be the exclusive means used by the Settlement Administrator to determine
21 whether a Class Member has timely objected to the Settlement. Class Members who do not submit
22 a Notice of Objection or appear at the Final Approval Hearing to explain their objection(s) shall be
23 deemed to have waived any objections and shall be foreclosed from making any objections (whether
24 by appeal or otherwise) to the Settlement. At no time shall any of the Parties, Class Counsel, or
25 Defense Counsel seek to solicit or otherwise encourage or discourage Class Members from objecting
26 to the Settlement or filing an appeal from the Judgment.

27 d. Disputes Regarding the Number of Compensable Workweeks. If a Class
28 Members disagrees with the number of Compensable Workweeks stated on the Information Sheet,

1 the Class Member must send a letter to the Settlement Administrator by the Response Deadline
2 stating the reasons why they dispute the number of Compensable Workweeks and provide any
3 supporting documentation. The Settlement Administrator will evaluate the evidence submitted by
4 the Class Member and make a decision as to the number of Compensable Workweeks that should
5 be applied and/or the Individual Settlement Payment to which the Class Member is entitled.

6 e. Monitoring and Reviewing Settlement Administration. The Parties have the
7 right to monitor and review the administration of the Settlement to verify that the monies allocated
8 under the Settlement are distributed in the correct amount, as provided for in this Stipulation.

9 f. Best Efforts. The Parties agree to use their best efforts to carry out the terms
10 of this Settlement.

11 50. Funding and Allocation of Maximum Settlement Amount. No later than ten (10)
12 days after the Effective Date, Defendant shall provide to the Settlement Administrator in any
13 feasible manner, including, but not limited to, by way of a wire transfer, the Maximum Settlement
14 Amount. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded,
15 canceled or fails to become effective for any reason, or if the Effective Date does not occur, then no
16 portion of the Maximum Settlement Amount shall be paid.

17 a. Individual Settlement Payments. Class Members shall not be required to
18 submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the
19 Maximum Settlement Amount shall revert to Defendant or result in an unpaid residue. Individual
20 Settlement Payments shall be paid by the Settlement Administrator from the Net Settlement Amount
21 pursuant to the formula set forth herein. Individual Settlement Payment payments shall be mailed
22 by the Settlement Administrator by regular First Class U.S. Mail to each Participating Class
23 Member's last known mailing address within ten (10) days after Defendant provides the Settlement
24 Administrator with the Maximum Settlement Amount. Prior to mailing the Individual Settlement
25 Payments, the Settlement Administrator shall perform a search based on the National Change of
26 Address Database maintained by the United States Postal Service to update and correct any known
27 or identifiable address changes.

1 i. Each Participating Class Member’s Individual Settlement Payment
2 shall be calculated solely by the Settlement Administrator according to the following formula:
3 Defendant shall provide the Settlement Administrator with the Compensable Workweeks for each
4 Participating Class Member. The Settlement Administrator shall then divide the Net Settlement
5 Amount by the total number of Compensable Workweeks for all Participating Class Members
6 resulting in a value for each week worked by the Participating Class Members during the Class
7 Period (“Workweek Value”). The Settlement Administrator shall then multiply the number of
8 Compensable Workweeks for each Participating Class Member by the Workweek Value. In
9 addition, all Aggrieved Employees shall receive a pro rata share of the portion of the PAGA Payment
10 allocated to Aggrieved Employees based on their Compensable Workweeks during the PAGA
11 Period.

12 ii. Individual Settlement Payments shall be made by check and shall be
13 made payable to each Participating Class member as set forth in this Stipulation.

14 iii. Individual Settlement Payments shall be allocated as follows: twenty
15 percent (20%) as wages subject to all applicable tax withholdings, and eighty percent (80%) as non-
16 wage penalties, interest, and reimbursement of employment-related expenses not subject to payroll
17 tax withholdings. No tax withholding shall be made on an Aggrieved Employee's pro rata portion
18 of the PAGA Payment. The Settlement Administrator shall issue an IRS Form W-2 to each
19 Participating Class Member and Aggrieved Employee for the portion of each Individual Settlement
20 Payment allocated as wages and subject to all applicable tax withholdings. The Settlement
21 Administrator shall issue an IRS Form 1099 to each Participating Class Member and Aggrieved
22 Employee for the portion of each Individual Settlement Payment allocated as non-wage penalties,
23 interest, and reimbursement of employment-related expenses not subject to payroll tax
24 withholdings. The Settlement Administrator shall calculate the amount of the Employer’s Share of
25 Payroll Taxes and shall remit and report the applicable portions of the payroll tax payment to the
26 appropriate taxing authorities in a timely manner.

27 iv. Individual Settlement Payment checks shall remain negotiable for one
28 hundred eighty (days from the date of mailing. If an Individual Settlement Payment check remains

1 uncashed after one hundred eighty (180) days from issuance, the Settlement Administrator shall
2 distribute the value of the uncashed check to the State Controller's Office Unclaimed Property Fund
3 in the name of the Participating Class Member and/or Aggrieved Employee. In such event, such
4 Participating Class Members and/or Aggrieved Employees shall nevertheless remain bound by the
5 Settlement.

6 v. All monies received by Class Members under the Settlement which
7 are attributable to wages shall constitute income to such Class Members solely in the year in which
8 such monies actually are received by the Class Members. It is expressly understood and agreed that
9 the receipt of Individual Settlement Payments shall not entitle any Class Member to additional
10 compensation or benefits under any collective bargaining agreement or under any bonus, contest or
11 other compensation or benefit plan or agreement in place during the period covered by the
12 Settlement, nor shall it entitle any Class Member to any increased pension and/or retirement, or
13 other deferred compensation benefits. It is the intent of the Parties that Individual Settlement
14 Payments provided for in this Stipulation are the sole payments to be made by Defendant to Class
15 Members in connection with this Settlement, with the exception of Plaintiff, and that the Class
16 Members are not entitled to any new or additional compensation or benefits as a result of having
17 received the Individual Settlement Payments. Furthermore, the receipt of Individual Settlement
18 Payments by Class Members shall not, and does not, by itself establish any general, special, or joint
19 employment relationship between and among the Class Member(s) and Defendant.

20 b. Class Representative Service Award. Subject to Court approval, Plaintiff
21 shall be paid a Class Representative Service Award not to exceed Five Thousand Dollars
22 (\$5,000.00), or any lesser amount as awarded by the Court, for her time and effort in bringing and
23 presenting the Action and for releasing her claims. Defendant shall not oppose or object to
24 Plaintiff's request for a Class Representative Service Award in an amount not to exceed Five
25 Thousand Dollars (\$5,000.00). The Class Representative Service Award shall be paid to Plaintiff
26 from the Maximum Settlement Amount no later than ten (10) days after Defendant provides the
27 Settlement Administrator with the Maximum Settlement Amount. The Settlement Administrator
28 shall issue an IRS Form 1099 to Plaintiff for her Class Representative Service Award. Plaintiff shall

1 be solely and legally responsible to pay any and all applicable taxes on her Class Representative
2 Service Award and shall hold harmless Defendant, Class Counsel, and Defense Counsel from any
3 claim or liability for taxes, penalties, or interest arising as a result of payment of the Class
4 Representative Service Award. The Class Representative Service Award shall be made in addition
5 to Plaintiff's Individual Settlement Payment. Any amount requested by Plaintiff for the Class
6 Representative Service Award and not awarded by the Court shall become part of the Net Settlement
7 Amount and shall be distributed to Participating Class Members as part of their Individual
8 Settlement Payments.

9 c. Class Counsel Award. Subject to Court approval, Class Counsel shall be
10 entitled to receive reasonable attorneys' fees in an amount not to exceed one-third (1/3) of the
11 Maximum Settlement Amount, which amounts to Five Hundred Eighty Three Thousand Three
12 Hundred Thirty Three Dollars and Thirty Three Cents (\$583,333.33). In addition, subject to Court
13 approval, Class Counsel shall be entitled to an award of reasonable costs associated with Class
14 Counsel's prosecution of the Action in an amount not to exceed Twenty Thousand Dollars
15 (\$20,000.00). Class Counsel shall provide the Settlement Administrator with a properly completed
16 and signed IRS Form W-9 in order for the Settlement Administrator to process the Class Counsel
17 Award approved by the Court. Defendant shall not oppose or object to Plaintiff's request for an
18 award of attorneys' fees in an amount not to exceed Five Hundred Eighty Three Thousand Three
19 Hundred Thirty Three Dollars and Thirty Three Cents (\$583,333.33) and request for an award of
20 reasonable costs not to exceed Twenty Thousand Dollars (\$20,000.00). In the event the Court
21 awards Class Counsel less than Five Hundred Eighty Three Thousand Three Hundred Thirty Three
22 Dollars and Thirty Three Cents (\$583,333.33) in attorneys' fees and/or less than Twenty Thousand
23 Dollars (\$20,000.00) in costs, the difference shall become part of the Net Settlement Amount and
24 shall be distributed to Participating Class Members as part of their Individual Settlement Payments.
25 Class Counsel shall be paid any Court-awarded attorneys' fees and costs no later than ten (10) days
26 after Defendant provides the Settlement Administrator with the Maximum Settlement Amount.
27 Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Class Counsel
28 Award. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Class

1 Counsel Award. This Settlement is not conditioned upon the Court awarding Class Counsel any
2 particular amount of attorneys' fees or costs.

3 d. PAGA Payment. Seventy Five Thousand Dollars (\$75,000.00) from the
4 Maximum Settlement Amount shall be allocated as penalties under PAGA, of which Fifty Six
5 Thousand Two Hundred Fifty Dollars (\$56,250.00) shall be paid by the Settlement Administrator
6 directly to the LWDA. The remaining Eighteen Thousand Seven Hundred Fifty Dollars
7 (\$18,750.00) shall be distributed to Aggrieved Employees as part of their Individual Settlement
8 Payments.

9 e. Settlement Administration Costs. The Settlement Administration fees and
10 expenses, which are estimated not to exceed Twenty-Five Thousand Dollars (\$25,000.00), shall be
11 paid from the Maximum Settlement Amount. Prior to Plaintiff filing a motion for final approval of
12 the Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the
13 Settlement Administration Costs to date. The Parties agree to cooperate in the Settlement
14 Administration process and to make all reasonable efforts to control and minimize Settlement
15 Administration Costs.

16 i. The Parties each represent they do not have any financial interest in
17 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator
18 that could create a conflict of interest.

19 ii. The Settlement Administrator shall keep the Parties timely apprised
20 of the performance of all Settlement Administrator responsibilities required by the Settlement. The
21 Settlement Administrator shall be authorized to establish a QSF pursuant to IRS rules and
22 regulations in which the Maximum Settlement Amount shall be placed and from which payments
23 required by the Settlement shall be made.

24 51. Final Settlement Approval Hearing and Entry of Judgment. Following expiration of
25 the Response Deadline, a Final Approval Hearing shall be conducted to determine whether to grant
26 final approval of the Settlement, including determining the amounts properly payable for: (i) the
27 Class Counsel Award; (ii) the Class Representative Service Award; and (iii) the PAGA Payment.
28 Prior to the Final Approval Hearing, the Settlement Administrator shall provide a written report or

1 declaration to the Parties describing the process and results of the administration of the Settlement
2 to date, which report or declaration shall be filed by Plaintiff with the Court prior to the Final
3 Approval Hearing. In the event that the date or location of the Final Approval Hearing is changed
4 following the mailing of the Class Notice, the Settlement Administrator shall post notice of the
5 change on its website. If the Court grants final approval of the Settlement, the Settlement
6 Administrator shall post notice of final judgment on its website within seven (7) calendar days of
7 entry of the Judgment.

8 52. Adjustment of Settlement Amount. The Maximum Settlement Amount was
9 negotiated and is premised on the understanding that there are approximately 270,000 workweeks
10 worked by Class Members during the Class Period. In the event that the total number of workweeks
11 exceeds that number by ten percent (10%) or more, the Maximum Settlement Amount shall be
12 increased by one percent (1%) for every one percent (1%) increase in workweeks over the ten
13 percent (10%) threshold. This escalator clause provision shall only be triggered after the Parties
14 exchange data regarding their respective positions.

15 53. Right of Defendant to Reject Settlement. If two percent (2%) or more of the Class
16 Members submit valid Requests for Exclusion, Defendant will have the right, but not the obligation,
17 to void the Settlement and the Parties will have no further obligations under the Settlement,
18 including any obligation by Defendant to pay the Maximum Settlement Amount, or any amounts
19 that otherwise would have been owed under this Stipulation, except that Defendants will pay the
20 Settlement Administration Costs incurred as of the date that Defendant exercises its right to void
21 the Settlement. Defendant shall notify Class Counsel and the Court whether it is exercising this
22 right to void not later than seven (7) days after the Settlement Administrator notifies the Parties of
23 the number of valid Requests for Exclusion it has received.

24 54. Nullification of Settlement. In the event: (i) the Court does not enter the Preliminary
25 Approval Order; (ii) the Court does not grant final approval of the Settlement; (iii) the Court does
26 not enter the Judgment; or (iv) the Settlement does not become final for any other reason, this
27 Stipulation shall be rendered null and void, any order or judgment entered by the Court in
28 furtherance of this Settlement shall be treated as void from the beginning and this Stipulation and

1 any documents related to it shall not be used by any Class Member or Class Counsel to support any
2 claim or request for class certification in the Action, and shall not be used in any other civil, criminal
3 or administrative action against Defendant or any of the other Released Parties. In the event an
4 appeal is filed from the order granting final approval or Judgment, or any other appellate review is
5 sought, administration of the Settlement shall be stayed pending final resolution of the appeal or
6 other appellate review. Any fees incurred by the Settlement Administrator prior to it being notified
7 of the filing of an appeal from the Judgment, or any other appellate review, shall be paid by
8 Defendant to the Settlement Administrator.

9 55. No Admission by Defendant. Defendant denies all claims alleged in this Action and
10 denies all wrongdoing whatsoever by Defendant. Neither this Stipulation, nor any of its terms and
11 conditions, nor any of the negotiations connected with it, is a concession or admission, and none
12 shall be used against Defendant as an admission or indication with respect to any claim of any fault,
13 concession, or omission by Defendant or that class certification is proper under the standard applied
14 to contested certification motions. The Parties stipulate and agree to the certification of the proposed
15 class for settlement purposes only. The Parties further agree that this Stipulation shall not be
16 admissible in this or any other proceeding as evidence that either (i) a class action should be certified
17 or (ii) Defendant is liable to Plaintiff or any Class Member, other than according to the terms of this
18 Stipulation.

19 56. Non-Publicity. Plaintiff and Class Counsel agree that they have not and will not
20 publish the Settlement. Class Counsel shall not issue any press releases or press statements
21 regarding the Settlement, identify Defendant or its counsel by name in any media including Class
22 Counsel's website, or have any communications with the press or media about the Action or the
23 Settlement. However, nothing in the provision shall be construed as preventing the Parties from
24 taking the following actions: (a) Class Counsel shall be allowed to refer to the Action and Settlement
25 in other litigation to support their adequacy as attorneys for a putative class or to justify an award
26 of attorneys' fees; (b) the Parties shall have the right to disclose the Settlement as may be required
27 under federal or state tax and/or securities laws or under generally accepted accounting principles;
28 (c) the Parties shall have the right to disclose the Settlement to third parties without identifying the

1 case name, case number, or names of any of the Parties or Released Parties; (d) Defendant may
2 disclose the Settlement to its employees, Owners or their representatives, or others with a need to
3 know; (e) the Parties may refer to the Settlement, describe its terms, and file the Stipulation with the
4 Court, the LWDA, and the Settlement Administrator in connection with any proceedings which are
5 reasonably necessary to obtain approval of the Settlement; (f) Plaintiff and Class Counsel may
6 communicate with Class Members or their representatives about the Settlement; and (g) the Parties
7 and their representatives may communicate with accountants or legal advisors regarding the
8 Settlement. Except for the previously listed exceptions, in response to any inquiries about the
9 Action, the Parties may state that “the matter has been resolved.”

10 57. Exhibits and Headings. The terms of this Stipulation include the terms set forth in
11 any attached Exhibits, which are incorporated by this reference as though fully set forth herein. The
12 Exhibits to this Stipulation are an integral part of the Settlement. The descriptive headings of any
13 paragraphs or sections of this Stipulation are inserted for convenience of reference only.

14 58. Interim Stay of Action. The Parties agree to stay and to request that the Court stay
15 all proceedings in the Action, except such proceedings necessary to implement and complete the
16 Settlement and enter the Judgment.

17 59. Amendment or Modification. This Stipulation may be amended or modified only by
18 a written instrument signed by counsel for all Parties or their successors-in-interest.

19 60. Entire Agreement. This Stipulation and any attached Exhibits constitute the entire
20 agreement between the Parties, and no oral or written representations, warranties, or inducements
21 have been made to Plaintiff or Defendant concerning this Stipulation or its Exhibits other than the
22 representations, warranties, and covenants contained and memorialized in this Stipulation and its
23 Exhibits. No other prior or contemporaneous written or oral agreements may be deemed binding
24 on the Parties.

25 61. Authorization to Enter into Settlement Agreement. Class Counsel and Defense
26 Counsel warrant and represent they are expressly authorized by the Parties whom they represent to
27 negotiate this Stipulation and to take all appropriate actions required or permitted to be taken by
28 such Parties pursuant to this Stipulation to effectuate its terms, and to execute any other documents

1 required to effectuate the terms of this Stipulation. The Parties, Class Counsel, and Defense Counsel
2 shall cooperate with each other and use their best efforts to effect the implementation of the
3 Settlement. In the event the Parties are unable to reach agreement on the form or content of any
4 document needed to implement the Settlement, or on any supplemental provisions that may become
5 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court
6 and/or mediator Mark Rudy to resolve such disagreement. The person signing this Stipulation on
7 behalf of Defendant represents and warrants that he/she is authorized to sign this Stipulation on
8 behalf of Defendant. Plaintiff represents and warrants that she is authorized to sign this Stipulation
9 and that she has not assigned any claim, or part of a claim, covered by this Settlement to a third-
10 party. The Parties have cooperated in the drafting and preparation of this Stipulation. Hence, in
11 any construction made of this Stipulation, the same shall not be construed against any of the Parties.

12 62. Binding on Successors and Assigns. This Stipulation shall be binding upon, and
13 inure to the benefit of, the successors and assigns of the Parties.

14 63. California Law Governs. All terms of this Stipulation and the Exhibits hereto shall
15 be governed by and interpreted according to the laws of the State of California, without giving effect
16 to any law that would cause the laws of any jurisdiction other than the State of California to be
17 applied.

18 64. Counterparts. This Stipulation may be executed in one or more counterparts. All
19 executed counterparts and each of them shall be deemed to be one and the same instrument.

20 65. Jurisdiction of the Court. Following entry of the Judgment, the Court shall retain
21 jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this
22 Stipulation and all orders and judgments entered in connection therewith, and the Parties, Class
23 Counsel, and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting,
24 implementing, and enforcing the Settlement embodied in this Stipulation and all orders and
25 judgments entered in connection therewith.

26 66. Invalidity of Any Provision. Before declaring any term or provision of this
27 Stipulation invalid, the Parties request that the Court first attempt to construe the terms or provisions
28 valid to the fullest extent possible consistent with applicable precedents so as to define all provisions

1 of this Stipulation as valid and enforceable.

2 67. Binding Nature of Notice of Class Action Settlement. It is agreed that because the
3 Class Members are so numerous, it is impossible or impractical to have each Class Member execute
4 the Stipulation. The Class Notice shall advise all Class Members of the binding nature of the
5 Settlement, and the release of Released Claims and shall have the same force and effect as if this
6 Stipulation were executed by each Participating Class Member.

7 Dated: 13/10/2021
8 _____, 2021

DocuSigned by:

259466392CE94A0...
Plaintiff Karla Godinez

9
10 Dated: _____, 2021

Defendant Merritt Hospitality, LLC

11 By: _____

12 Its: _____

13
14 Approved as to form and content:

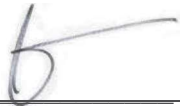
15
16 Dated: October 13, 2021

JACKSON LAW, APC

17
18 By: Armond Jackson
19 ARMOND M. JACKSON
20 Attorneys for Plaintiff KARLA GODINEZ,
21 individually and on behalf of all others similarly
22 situated

23 Dated: October 12, 2021

BALLARD ROSENBERG GOLPER & SAVITT

24 By: 
25 JEFFREY P. FUCHSMAN
26 Attorneys for Defendant MERRITT
27 HOSPITALITY, LLC
28

of this Stipulation as valid and enforceable.

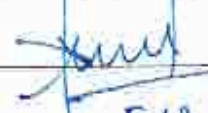
67. Binding Nature of Notice of Class Action Settlement. It is agreed that because the Class Members are so numerous, it is impossible or impractical to have each Class Member execute the Stipulation. The Class Notice shall advise all Class Members of the binding nature of the Settlement, and the release of Released Claims and shall have the same force and effect as if this Stipulation were executed by each Participating Class Member.

Dated: _____, 2021

Plaintiff Karla Godinez

Dated: 10/13/, 2021

Defendant Merritt Hospitality, LLC

By: 

Its: EJP HR.

Approved as to form and content:

Dated: _____, 2021

JACKSON LAW, APC

By: _____

ARMOND M. JACKSON

Attorneys for Plaintiff KARLA GODINEZ,
individually and on behalf of all others similarly
situated

Dated: October 12, 2021

BALLARD ROSENBERG GOLPER & SAVITT

By: 

JEFFREY P. FUCHSMAN

Attorneys for Defendant MERRITT
HOSPITALITY, LLC

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT
Godinez v. Merritt Hospitality, LLC
United States District Court Case No. 8:20-cv-00941-JWH-KESx

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU WORKED FOR MERRITT HOSPITALITY, LLC AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME BETWEEN JANUARY 29, 2016 AND **NOVEMBER 2, 2021**, THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Godinez v. Merritt Hospitality, LLC*, United States District Court Case No. 8:20-cv-00941-JWH-KESx (the “Action”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing concerning the Settlement (the “Settlement Hearing”) will be held before the Hon. John Holcomb on , 2021 at in Courtroom 2 of the United States District Court for the Central District of California, located at 3470 12th Street, Riverside, California 92501, to determine whether the Settlement is fair, adequate and reasonable.

AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE AND THE SETTLEMENT AGREEMENT FILED WITH THE COURT, UNLESS YOU TIMELY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be considered part of the Class and will receive an Individual Settlement Payment. You will also give up the right to pursue a separate legal action against defendant Merritt Hospitality, LLC (“Defendant”) and affiliated persons and entities (“Released Parties”), as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	You have the option to pursue separate legal action against Defendant about the claims in this lawsuit. If you choose to do so, you must exclude yourself, in writing, from the Settlement. As a result, you will not receive any benefits under the Settlement, except a portion of the PAGA Payment if you worked for Defendant during the PAGA Period.
OBJECT	To object to the Settlement, you must submit a written statement explaining why you don’t like the Settlement or explain your objections in person at the Settlement Hearing. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the “Class”):

All current and former non-exempt employees of Defendant in California at any time during the period from January 29, 2016 through **November 2, 2021** (the "Class Period"), excluding employees who were employed by Defendant at the Warner Center Marriott and the Hilton Santa Cruz/Scotts Valley.

According to Defendant's records, you are a member of the Class ("Class Member").

What is this case about?

In the Action, plaintiff Karla Godinez ("Plaintiff") alleges on behalf of herself and the Class the following claims against Defendant: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay the one-hour premium; (4) failure to provide rest periods or pay the one hour premium; (5) failure to timely pay all wages due during employment and upon termination; (6) failure to furnish accurate itemized wage statements and maintain records; (7) failure to indemnify employees for necessary expenditures; (8) unfair and unlawful business practices; and (9) civil penalties under PAGA, as a representative action. Plaintiff seeks unpaid wages, statutory penalties, restitution, interest, attorneys' fees, and costs.

Defendant denies all liability and is confident it has strong legal and factual defenses to these claims.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendant (the "Parties"), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff also believes the Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Armond M. Jackson
JACKSON LAW, APC
2 Venture Plaza, Ste. 240
Irvine, CA 92618
949-281-6857

Defense Counsel

Jeffrey P. Fuchsman
BALLARD ROSENBERG GOLPER & SAVITT
15760 Ventura Blvd., 18th Floor
Encino, CA 91436
818-508-3700

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$1,750,000.00 (the "Maximum Settlement Amount") for: (a) Individual Settlement Payments to Class Members who do not request to be excluded from the Settlement ("Participating Class Members"); (b) the Court-approved Service Award to Plaintiff; (c) the Court-approved attorneys' fees and costs to Class Counsel; (d) the costs of administering the Settlement; and (e) the PAGA Payment to be paid to the California Labor and Workforce Development Agency ("LWDA") and non-exempt employees who worked for Defendant during the PAGA Period, which is May 10, 2019 through **November 2, 2021** ("Aggrieved Employees").

Individual Settlement Payments. After deduction from the Maximum Settlement Amount for Class Counsel's attorneys' fees and costs, the Service Award to Plaintiff, the PAGA Payment, and the costs of administering the Settlement, there will be a Net Settlement Amount. From the Net Settlement Amount, each Participating Class Member will receive an Individual Settlement Payment. The Net Settlement Amount shall be divided pro rata among all Participating Class Members based on the total number of

weeks worked during the Class Period. In addition, all Aggrieved Employees shall receive a pro rata share of the portion of the PAGA Payment allocated to Aggrieved Employees based on their Compensable Workweeks during PAGA Period.

Your estimated Individual Settlement Payment is listed on the Information Sheet enclosed in this Notice Packet.

If a settlement check remains uncashed after 180 days from issuance, the Settlement Administrator will pay over the amount represented by the check to the State Controller's Office Unclaimed Property Fund, with the identity of the Class Members to whom the funds belong. In such event, the Class Member will remain bound by the terms of the Settlement and all Court orders.

For tax reporting purposes, the payments to Participating Class Members will be allocated 20% as wages and 80% as non-wages. None of your pro rata portion of the PAGA Payment will be subject to tax withholding. The wage portion of the Individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payments.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Class Counsel Attorneys' Fees and Costs, Service Award, Settlement Administration Costs and PAGA Payment. Class Counsel will ask the Court to award attorneys' fees up to \$583,333.33 (one-third of the Maximum Settlement Amount) and reimbursement of actual and reasonable costs incurred in the Action not to exceed \$20,000.00. In addition, Class Counsel will ask the Court to authorize a Service Award payment of up to \$5,000.00 to Plaintiff for her effort in prosecuting the Action on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed ~~\$25,000~~. In addition, \$75,000.00 will be allocated to penalties under PAGA, of which 75%, or \$56,250.00, will be paid to the LWDA, and the remaining 25%, or \$18,750.00, will be distributed to Aggrieved Employees pro rata. Any amounts not requested or awarded by the Court will be included in the Net Settlement Amount and will be distributed to Participating Class Members, as set forth above.

What claims are being released by the proposed Settlement?

Release by Participating Class Members. Upon Defendant providing the Maximum Settlement Amount to the Settlement Administrator, Plaintiff and all Participating Class Members shall be deemed to have fully, finally, and forever released the Released Parties from any and all claims, demands, rights, liabilities, and/or causes of action that were pleaded or could have been pleaded based upon the factual allegations set forth in the operative first amended complaint filed in this Action and arising at any time during the Class Period, including claims for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay the one hour premium; (4) failure to provide rest periods or pay the one hour premium; (5) failure to timely pay all wages due during employment and upon termination; (6) failure to furnish accurate itemized wage statements and maintain records; (7) failure to indemnify employees for necessary expenditures; and (8) unfair and unlawful business practices.

Release by Aggrieved Employees. Upon Defendant providing the Maximum Settlement Amount to the Settlement Administrator, all Aggrieved Employees shall be deemed to have released the Released Parties of any and all claims and/or causes of action under PAGA which are based upon the factual allegations set forth in the operative first amended complaint and arising at any time during the PAGA Period, including claims based on: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay the one hour premium; (4) failure to provide rest periods or pay the one hour premium; (5) failure to timely pay all wages due during employment and upon termination; (6) failure to furnish accurate itemized wage statements and maintain records; (7) failure to indemnify employees for

necessary expenditures; and (8) unfair and unlawful business practices. The release of claims under PAGA will apply to all Aggrieved Employees even if the Aggrieved Employee requests to be excluded from the class action settlement.

The “Released Parties” are Defendant, Owners and their respective present or former parents, owners, subsidiaries, and any affiliated or related persons or entities and each of its officers, directors, employees, partners, shareholders, attorneys and agents, and any other predecessors, successors, assigns, or legal representatives.

What are my options in this matter?

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

OPTION A. Remain in the Settlement Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment, **you do not need to take any action.** By remaining in the Class, you consent to the release of claims as described above.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of objecting to the Settlement.

Object to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you must appear at the Settlement Hearing to explain your objection or submit a written brief or statement of objection (“Notice of Objection”) to the Settlement Administrator at the following address:

Godinez v. Merritt Hospitality, LLC Settlement
P.O. Box
[City], [State] [Zip]

The Notice of Objection must: (1) state your full name; (2) state the grounds for the objection; (3) be signed by you; and (4) be postmarked on or before [redacted], 2021 and returned to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection. Any Class Member who does not object in writing or at the Settlement Hearing shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of claims as set forth above, unless the Settlement is not finally approved by the Court.**

OPTION B. Request Exclusion from the Settlement. If you do not want to be part of the Settlement, you must submit a written request to be excluded from the Settlement (“Request for Exclusion”). In order to be valid, your Request for Exclusion must (1) state your full name, address, and telephone number and the last four digits of your Social Security Number (for identification purposes only); (2) contain a clear statement that you are requesting to opt out of, or be excluded from, the Settlement in *Godinez v. Merritt Hospitality, LLC*; (3) be signed by you; and (4) be postmarked on or before [redacted], 2021 and returned to the Settlement Administrator at the following address:

Godinez v. Merritt Hospitality, LLC Management Settlement
P.O. Box
[City], [State] [Zip]

If you do not submit a valid Request for Exclusion, you will be deemed a Participating Class Member and you will be bound by the release of claims as described above and all other terms of the Settlement. If you submit a valid Request for Exclusion, you will have no further role in the Action, and you will not be

entitled to any benefit as a result of the Action and Settlement and will not be entitled to or permitted to object to the Settlement. However, an Aggrieved Employee who submits a timely Request for Exclusion shall still receive his or her pro rata portion of the PAGA Payment and is covered by the PAGA Release.

What is the next step in the approval of the Settlement?

The Court will hold a hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, and Plaintiff's request for a Service Award and attorneys' fees and costs to Class Counsel on [REDACTED], 2021 at [REDACTED] in Courtroom 2 of the United States District Court for the Central District of California, located at 3470 12th Street, Riverside, California 92501. You may attend the hearing in person, or you may appear by videoconference through Zoom. Instructions for appearing by Zoom can be found on the Court's website at <https://www.cacd.uscourts.gov/honorable-john-w-holcomb>. Please note that a mandatory face mask order remains in effect in all federal courthouses and courtrooms. Face masks must be worn over the nose and mouth at all times in all public courthouse spaces. In the event that the date or location of the Final Approval Hearing changes, the Settlement Administrator will post notice of the new date or location on its website (www.[REDACTED]). You are not required to attend the Settlement Hearing to receive an Individual Settlement Payment.

If the Court grants final approval of the Settlement, notice of final judgment will be posted on the Settlement Administrator's website (www.[REDACTED]) within seven (7) calendar days after entry of the Final Order and Judgment.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Settlement Agreement. You may also request a copy of the Settlement Agreement from Class Counsel, at the address and telephone number listed above. If you have questions regarding the Settlement, you may contact the Settlement Administrator at 1-XXX-XXXX.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS SETTLEMENT.

EXHIBIT 2

INFORMATION SHEET
Godinez v. Merritt Hospitality, LLC
United States District Court Case No. 8:20-cv-00941-JWH-KESx

Calculation of Individual Settlement Payments: Each employee's share of the Settlement will be calculated based upon his or her "Compensable Workweeks," or the total number of weeks he or she worked for defendant Merritt Hospitality, LLC ("Defendant") as a non-exempt employee in California from January 29, 2016 through **November 2, 2021** (the "Class Period"). The formula for determining each employee's Individual Settlement Payment is as follows:

Defendant will provide the Settlement Administrator with the Compensable Workweeks for each employee. The Settlement Administrator will then divide the Net Settlement Amount by the total number of Compensable Workweeks for all Participating Class Members resulting in a value for each week worked by the Participating Class Members during the Class Period ("Workweek Value"). The Settlement Administrator will then multiply the number of Compensable Workweeks for each Participating Class Member by the Workweek Value. This calculation yields the amount of the Participating Class Member's "Individual Settlement Payment." In addition, all Aggrieved Employees will receive a pro rata share of the portion of the PAGA Payment allocated to Aggrieved Employees based on their Compensable Workweeks during the period May 10, 2019 through **November 2, 2021** (the "PAGA Period").

Your Compensable Workweeks and Estimated Individual Settlement Payment: According to Defendant's records, your Compensable Workweeks are as follows:

Compensable Workweeks during Class Period	<<CompWWSettCP>>
Compensable Workweeks during PAGA Period	<<CompWWPAGA>>

Based on the number of Compensable Workweeks, **your estimated Individual Settlement Payment is <<EstSettPayment>>**. Please note that this is only an estimate; your actual payment may be greater or smaller than the amount reported above.

Procedure for Disputing Information: If you disagree with the number of Compensable Workweeks stated above, you must send a letter to the Settlement Administrator stating the reasons why you dispute the number of Compensable Workweeks and provide any supporting documentation that you have, such as paystubs. The information you provide should include the estimated number of weeks you claim you performed work as a non-exempt employee of Defendant in California at any time between January 29, 2016 and **November 2, 2021**. Any disputes and supporting documentation must be mailed to the Settlement Administrator at the address listed below, postmarked no later than **[Response Deadline]**.

Godinez v. Merritt Hospitality, LLC Settlement [Address] [City, State Zip] [Telephone Number]
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If you dispute the number of Compensable Workweeks stated above, the Settlement Administrator will evaluate any evidence submitted by you and will make the final decision as to the number of Compensable Workweeks that should be applied and/or the Individual Settlement Payment to which you may be entitled.