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22 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

23 **IN AND FOR THE COUNTY OF STANISLAUS**

24 EDWARD GRAY and JESSICA MUTO,
25 individuals; on behalf of themselves, and on
26 behalf of all persons similarly situated,

27 Plaintiffs,

28 v.

29 SKY HOTELS, INC., a California corporation;
30 MODCO 2, LLC, a California limited liability
31 company; and DOES 1-50, Inclusive,

32 Defendants.

Case No.: CV-22-004004

**STIPULATION OF SETTLEMENT OF
CLASS AND PAGA ACTION CLAIMS
AND RELEASE OF CLAIMS**

STIPULATION OF SETTLEMENT OF CLASS AND PAGA ACTION CLAIMS AND RELEASE OF CLAIMS

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims
2 (hereafter, the “Agreement” or “Settlement Agreement”) is entered into by and between Plaintiffs
3 EDWARD GRAY, JESSICA MUTO, TAMMY LALLIER, JONATHAN HARRISON-LIAM
4 OLSON II, and KEILY VILLEDA (hereinafter “Plaintiffs”), individually, on behalf of themselves
5 and on behalf of all persons similarly situated, and Defendants SKY HOTELS, INC., MODCO 2,
6 LLC, CY3, LLC, J.R.P. HOSPITALITY, INC., NIMESH PATEL, SUREKHA PATEL, and
7 MAHESH PATEL (hereinafter “Defendants”) (together referred to as the “Parties”, or individually
8 referred to as a “Party”):

9 **I. DEFINITIONS**

10 A. “Action” shall collectively mean the entire case, lawsuit, claims, allegations, and
11 amendments entitled *Edward Gray, et al. v. Sky Hotels, Inc., et al.*, pending in
12 Stanislaus County Superior Court as Case No. CV-22-004004, originally filed
13 September 6, 2022 (the “Gray Action”), as well as the entirety of the cases, lawsuits,
14 claims, allegations, and amendments in the cases entitled *Keily Villeda et al. v.*
15 *Intercontinental Hotels Group Resources, LLC, et al.*; San Joaquin County Superior
16 Court Case Nos. STK-CV-UOE-2022-0009028 and STK-CV-UOE-2023-0000814
17 (the “Villeda Actions”).

18 B. “Aggrieved Employees” means all non-exempt employees who are or previously
19 were employed by Sky Hotels, Inc., Modco 2, LLC, CY3, LLC, J.R.P. Hospitality,
20 Inc., Nimesh Patel, Surekha Patel, and Mahesh Patel, and performed work in
21 California during the PAGA Period.

22 C. “Aggrieved Employee Payment” means 25% of the PAGA Payment which will be
23 allocated to the Aggrieved Employees as described herein.

24 D. “Attorneys’ Expenses” means the award of expenses that the Court authorizes to be
25 paid to Class Counsel for the expenses they have incurred, up to a maximum of
26 \$30,000.00.

1 E. “Attorneys’ Fees” means the award of fees that the Court authorizes to be paid to
2 Class Counsel for the services they have rendered to Plaintiffs and the Settlement
3 Class in the Action, currently not to exceed one-third of the Gross Settlement
4 Amount currently estimated to be \$161,666.67. Attorneys’ fees will be divided
5 between Class Counsel as follows: 28.33% to JCL Law Firm, APC, 28.33% to Zakay
6 Law Group, APLC, 28.33% to Bibiyan Law Group, PC, and 15.01% to Messrelian
7 Law.

8 F. “Claims Administration Expenses” shall mean the amount paid to the Settlement
9 Administrator from the Gross Settlement Amount for administering the Settlement
10 pursuant to this Agreement, currently estimated not to exceed \$9,790.00.

11 G. “Class” or the “Class Members” means all non-exempt employees who are or
12 previously were employed by Sky Hotels, Inc., Modco 2, LLC, CY3, LLC, J.R.P.
13 Hospitality, Inc., Nimesh Patel, Surekha Patel, and Mahesh Patel, and performed
14 work in California during the Class Period.

15 H. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC,
16 Shani Zakay of Zakay Law Group, APLC, David Bibiyan, Esq. of Bibiyan Law
17 Group, PC, and Harout Messrelian of Messrelian Law.

18 I. “Class Data” means information regarding Class Members that Defendants will
19 compile from its records and provide to the Settlement Administrator. It shall be
20 formatted as a Microsoft Excel spreadsheet and shall include: each Class Member’s
21 full name, last known address, Social Security Number, number of work weeks, and
22 number of pay periods.

23 J. “Class Period” means the period from September 6, 2018 to February 10, 2024, unless
24 modified by Defendant pursuant to Section III., C., 2., of this Agreement in the
25 Defendants’ sole discretion.

26 K. “Class Representatives” shall mean Edward Gray, Jessica Muto, Tammy Lallier,
27 Jonathan Harrison-Liam Olson II, and Keily Villeda.

- 1 L. "Court" means the Superior Court for the State of California, County of Stanislaus.
- 2 M. "Date of Last Installment Payment" shall mean the last date by which Defendants
3 have paid the entire Gross Settlement Amount to the Claims Administrator in
4 accordance with the following installment payment plan: (i) \$242,500.00, plus any
5 employer's share of payroll taxes on the wage portion of the Individual Settlement
6 Payments, shall be due sixty (60) calendar days after the Effective Date, and (ii)
7 \$242,500.00 shall be due six (6) months (182 calendar days) following the Effective
8 Date.
- 9 N. "Defendants" shall mean Sky Hotels, Inc., Modco 2, LLC, CY3, LLC, J.R.P.
10 Hospitality, Inc., Nimesh Patel, Surekha Patel, and Mahesh Patel.
- 11 O. "Effective Date" means the later of the following dates: (i) the date the Court enters
12 final judgment and no appeal, writ or other challenge to the finality of the judgment
13 has been filed; or (ii) five (5) days after the day when all appeals, writs or other
14 challenges to the final judgment have been resolved in a manner that affirms the
15 finality of the judgment and the time for the filing of any further appeals, writs or
16 other challenges has lapsed.
- 17 P. "Gross Settlement Amount" means Four Hundred Eighty-Five Thousand Dollars and
18 Zero Cents (\$485,000.00) that Defendants must pay in the following installments into
19 the QSF in connection with this Settlement and this Agreement: (i) \$242,500.00, plus
20 any employer's share of payroll taxes on the wage portion of the Individual Settlement
21 Payments, shall be due sixty (60) calendar days after the Effective Date, and (ii)
22 \$242,500.00 shall be due six (6) months (182 calendar days) following the Effective
23 Date. The Gross Settlement Amount includes the Individual Settlement Payments,
24 Claims Administration Expenses, Attorneys' Fees and Attorneys' Expenses, Service
25 Awards, and the PAGA Payment, but does not include the employer's share of payroll
26 tax, if any, on the wage portion of the Individual Settlement Payments.

- 1 Q. "Individual Settlement Payments" means the amount payable from the Net Settlement
2 Amount to each Settlement Class Member and excludes any amounts distributed to
3 Aggrieved Employees pursuant to PAGA.
- 4 R. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less
5 Attorneys' Fees and Attorneys' Expenses, Service Awards, PAGA Payment, and
6 Claims Administration Expenses.
- 7 S. "Notice Packet" means the Class Notice to be provided to the Class Members by the
8 Settlement Administrator, substantially in the form set forth as **Exhibit A** to this
9 Agreement.
- 10 T. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
11 Labor Code §§ 2698 *et seq.*
- 12 U. "PAGA Payment Ratio" means the respective Pay Periods during the PAGA Period
13 that each Aggrieved Employee worked for Defendants divided by the sum total of the
14 Pay Periods that all Aggrieved Employees worked for Defendants during the PAGA
15 Period.
- 16 V. "PAGA Payment" shall mean Thirty Thousand Dollars (\$30,000.00) to be allocated
17 from the Gross Settlement Amount, with 25% of the payment going to the Aggrieved
18 Employees and 75% of the payment going to the Labor and Workforce Development
19 Agency. The amount of the PAGA Payment is subject to Court approval pursuant to
20 California Labor Code section 2699(l). Any reallocation of the Gross Settlement
21 Amount to increase the PAGA Payment will not constitute grounds by either party to
22 void this Agreement, so long as the Gross Settlement Amount remains the same.
- 23 W. "PAGA Pay Periods," for purposes of calculating the distribution of the Aggrieved
24 Employee Payment, as defined herein, means the number of pay periods of
25 employment during the PAGA Period that each Aggrieved Employee worked for
26 Defendants in California.

- 1 X. "PAGA Period" means the period from July 1, 2021 to February 10, 2024, unless
2 modified by Defendant pursuant to Section III., C., 2., of this Agreement in the
3 Defendants' sole discretion.
- 4 Y. "Payment Ratio" means the respective Workweeks for each Class Member divided
5 by the sum total of Workweeks for all Class Members.
- 6 Z. "Plaintiffs" shall mean Edward Gray, Jessica Muto, Tammy Lallier, Jonathan
7 Harrison-Liam Olson II, and Keily Villeda.
- 8 AA. "QSF" means the Qualified Settlement Fund established, designated, and maintained
9 by the Settlement Administrator to fund the Gross Settlement Amount.
- 10 BB. "Released Parties" shall mean Defendants together with their present and former
11 parents, subsidiaries, affiliated and related entities, present and former owners,
12 boards, officers, directors, trustees, shareholders, members, managers, partners,
13 employees, agents, insurers, attorneys, representatives, heirs, executors,
14 administrators, successors and assigns.
- 15 CC. "Response Deadline" means the date forty-five (45) calendar days after the Settlement
16 Administrator first mails Notice Packets to Class Members and the last date on which
17 Class Members may submit requests for exclusion or objections to the Settlement.
- 18 DD. "Service Awards" mean an award in the amount of \$10,000.00 or in an amount that
19 the Court authorizes to be paid to each Class Representative, in addition to his or her
20 Individual Settlement Payment and his or her individual Aggrieved Employee
21 Payment, in recognition of his or her efforts and risks in assisting with the prosecution
22 of the Action.
- 23 EE. "Settlement" means the disposition of the Action pursuant to this Agreement.
- 24 FF. "Settlement Administrator" means Apex Class Action LLC.
- 25 GG. "Settlement Class Members" or "Settlement Class" means all Class Members who
26 have not submitted a timely and valid request for exclusion as provided in this
27 Agreement.

1 HH. “Workweeks,” or “Workweek” as used herein shall mean any seven (7) consecutive
2 days beginning on Sunday and ending on Saturday, in which a Class Member is
3 employed and received any form of compensation from Defendants.

4 **II. RECITALS**

5 A. On July 1, 2022, Plaintiffs Edward Gray and Jessica Muto filed a Notice of Violations
6 with the Labor and Workforce Development Agency (LWDA) pursuant to PAGA and
7 served the same on Defendants Sky Hotels, Inc. and Modco 2, LLC.

8 B. On September 6, 2022, Plaintiffs Edward Gray and Jessica Muto filed a class action,
9 the Gray Action, in Stanislaus County Superior Court, Case No. CV-22-004004,
10 alleging various claims and allegations, and including any amendments to the
11 complaint, all as more completely set forth in the Gray Action.

12 C. On September 30, 2022, Plaintiff Keily Villeda filed a Notice Letter of Violations
13 with the LWDA pursuant to PAGA and served the same on various parties including
14 Sky Hotels, Inc.

15 D. On October 5, 2022, Plaintiff Keily Villeda filed a complaint in San Joaquin County
16 Superior Court, Case No. STK-CV-UOE-2022-009028, for Class Action claims as a
17 part of the Villeda Actions.

18 E. On January 31, 2023, Plaintiff Keily Villeda filed a complaint in San Joaquin County
19 Superior Court, Case No. STK-CV-UOE-2023-000814, alleging PAGA
20 representative claims as a part of the Villeda Actions.

21 F. On May 24, 2023, Plaintiffs Edward Gray, Jessica Muto, Tammy Lallier, and
22 Jonathan Harrison-Liam Olson II filed an Amended Notice of Violations with the
23 Labor and Workforce Development Agency (LWDA) and served the same on
24 Defendants Sky Hotels, Inc., Modco 2, LLC, Surekha Patel, and Mahesh Patel.

25 G. On December 19, 2023, Plaintiff Keily Villeda filed an Amended Notice Letter of
26 Violations with the LWDA pursuant to PAGA and served the same on various parties
27

1 including Sky Hotels, J.R.P. Hospitality, Inc., CY3, LLC, MODCO 2, LLC, and
2 Nimesh Patel.

3 H. The Class Representatives believe they have claims based on alleged violations of the
4 California Labor Code and the Industrial Welfare Commission Wage Orders, and that
5 class certification is appropriate because the prerequisites for class certification can
6 be satisfied in the Action, and this action is manageable as a PAGA representative
7 action.

8 I. Defendants deny any liability or wrongdoing of any kind, dispute the claims alleged
9 in the Action, dispute any wages, damages and penalties claimed by the Class
10 Representatives as being owed, and further contend that the Action is not appropriate
11 for any kind of class or representative action treatment. Defendants further contend,
12 among other things, that at all times they complied with the law, the California Labor
13 Code, and the Industrial Welfare Commission Wage Orders.

14 J. The Class Representatives are represented by Class Counsel. Class Counsel
15 investigated the facts relevant to the Action, including conducting an independent
16 investigation as to the allegations, reviewing documents and information exchanged
17 through informal discovery, and reviewing documents and information provided by
18 Defendants pursuant to informal requests for information to prepare for mediation.
19 Defendants produced for the purpose of settlement negotiations certain employment
20 data concerning the Settlement Class, which Class Counsel reviewed and analyzed
21 with the assistance of an expert. Based on their own independent investigation and
22 evaluation, Class Counsel are of the opinion that the Settlement with Defendants is
23 fair, reasonable, and adequate, and is in the best interest of the Settlement Class
24 considering all known facts and circumstances, including the risks of significant
25 delay, defenses asserted by Defendants, uncertainties regarding class certification,
26 and numerous potential appellate issues. Although they deny any liability, Defendants
27 are agreeing to this Settlement solely to avoid the inconveniences and cost of further

1 litigation. The Parties have agreed to settle the claims on the terms set forth in this
2 Agreement.

3 K. On December 12, 2023, the parties participated in a mediation presided over by Hon.
4 Carl J. West (Ret.), a respected jurist and experienced mediator of wage and hour
5 class and PAGA actions. The mediation ultimately led to a settlement.

6 L. On or about April 2, 2024, Edward Gray filed a civil case and lawsuit in the Stanislaus
7 County Superior Court entitled *Edward Gray et al. v. Sky Hotels, Inc., et al.*, Case
8 No. CV-24-002520 (the “Gray Individual Action”).

9 M. This Agreement replaces and supersedes any other agreements, understandings, or
10 representations between the Parties. This Agreement represents a compromise and
11 settlement of highly disputed claims. Nothing in this Agreement is intended or will
12 be construed as an admission by Defendants that the claims in the Action of Plaintiffs
13 or the Class Members have merit or that Defendants bear any liability to Plaintiffs or
14 the Class Members on those claims or any other claims. Nothing in this Agreement is
15 intended or will be construed as an admission by Plaintiffs that Defendants’ defenses
16 in the Action have merit.

17 N. The Parties believe that the Settlement is fair, reasonable and adequate. The
18 Settlement was arrived at through arm’s-length negotiations, taking into account all
19 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
20 attendant to continuing the Action through trial and any appeal. Accordingly, the
21 Parties desire to settle, compromise and discharge all disputes and claims arising from
22 or relating to the Action fully, finally, and forever.

23 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

24 **III. TERMS OF AGREEMENT**

25 A. Revised PAGA Notice and Amended Complaint: Subject to the review, revisions,
26 changes, written approval from Defendants, Plaintiffs will submit a revised PAGA
27 notice to the LWDA to add J.R.P. Hospitality, Inc., CY3, LLC, Nimesh Patel, Surekha

1 Patel, and Mahesh Patel as Defendants, and to include all claims and all allegations
2 necessary to effectuate the release of all claims set forth in the releases described in
3 sections III., C. through E., herein. Subject to the review, revisions, changes, and
4 written approval from Defendants, Plaintiffs will also amend the operative complaint
5 in the Action to add J.R.P. Hospitality, Inc., CY3, LLC, Nimesh Patel, Surekha Patel,
6 and Mahesh Patel as Defendants, to include Keily Villeda, Tammy Lallier, and
7 Jonathan Harrison-Liam Olson II as Plaintiffs, and to include all claims and all
8 allegations necessary to effectuate the releases of all claims set forth in the release
9 described in sections III., C. through E., herein. Defendants shall be provided with
10 drafts of the revised PAGA notice and amended complaint in advance of any filings
11 or submissions, and Defendants shall be provided an adequate and reasonable
12 opportunity to comment, make changes, and make revisions to the revised PAGA
13 notice and amended complaint before any filings or submissions. Plaintiffs can only
14 file a revised PAGA notice and amended complaint with the prior written approval of
15 Defendants. This section constitutes a material term of this Agreement, and should
16 Defendants: (i) not be provided copies of a revised PAGA notice and an amended
17 complaint in advance of any submissions or filings, and/or (ii) propose changes and/or
18 revisions to the revised PAGA notice and to the amended complaint at any time that
19 are not made by Plaintiffs, Defendants may, in their sole discretion, elect to invalidate
20 this Agreement, and make this Agreement void *ab initio* and of no force or effect of
21 any kind. Should Defendants make such an election, this Agreement shall not be
22 admissible in any judicial, administrative, or arbitral proceeding for any purpose or
23 with respect to any issue, substantive or procedural. If this Agreement is invalidated
24 and nullified by Defendants pursuant to this section, Plaintiffs are solely responsible
25 for any costs and fees incurred by the Settlement Administrator. No preliminary
26 approval motion of any kind will be filed by Plaintiffs without first filing and
27 submitting an amended PAGA notice and an amended complaint in the Action, all of

1 which require the pre-approval in writing by Defendants as set forth herein.

2 B. Dismissal of Actions. Immediately upon the filing of the first amended complaint in
3 the Gray Action, Keily Villeda shall dismiss, without prejudice, the Villeda Actions
4 pending in San Joaquin County Superior Court, and cause the Villeda Actions to be
5 fully dismissed without prejudice. Immediately upon the execution of this
6 Agreement, Edward Gray shall file a Notice of Settlement in the Gray Individual
7 Action. Immediately following the Court's final approval of the Settlement, Edward
8 Gray shall dismiss, with prejudice, the Gray Individual Action, and cause the Gray
9 Individual Action to be fully dismissed with prejudice.

10 C. Settlement Consideration and Settlement Payments by Defendants.

11 1. Settlement Consideration. In full and complete settlement of the Action, and
12 in exchange for the releases set forth below, Defendants will pay the Gross
13 Settlement Amount in installment payments as set forth in this Agreement.
14 The Parties agree that no portion of the Gross Settlement Amount shall revert
15 to Defendants. Other than the Defendants' share of employer payroll taxes
16 paid on the wage portion of the Individual Settlement Payments, Defendants
17 shall not be required to pay more than the Gross Settlement Amount.

18 2. Class Size. Defendants represent that at the time of mediation the Settlement
19 Class was comprised of approximately 515 Class Members who collectively
20 worked approximately 14,263 workweeks ("Projected Workweeks") during
21 the Class Period. If the actual number of Workweeks worked by Class
22 Members exceeds 14,263 Workweeks by ten percent (10%), meaning that the
23 actual Workweeks worked by Class Members are more than 15,690
24 Workweeks, then Defendants shall have the option, in Defendants' sole
25 discretion, to either: (i) establish the end date of the Class Period and PAGA
26 Period as of the 14,263rd Workweek, which shall end the Class Period and the
27 PAGA Period, or (ii) pay additional money for the additional release period

1 commensurate with the number of Workweeks that exceed 15,690
2 Workweeks at thirty two dollars and zero cents (\$32.00) per additional
3 Workweek.

4 3. Settlement Payment. Defendants shall deposit the Gross Settlement Amount
5 into the QSF, through the Settlement Administrator by the dates and
6 installment plan set forth in this Agreement at Section I., P. Any interest
7 accrued will be added to the NSA and distributed to the Settlement Class
8 Members except that if final approval is reversed on appeal, then Defendants
9 are entitled to prompt return of the principal and all interest accrued.

10 4. Defendants' Share of Payroll Taxes. Defendants' share of employer side
11 payroll taxes on the wage portion of the Individual Settlement Payments is in
12 addition to the Gross Settlement Amount and shall be paid together with the
13 first installment payment of the portion of the Gross Settlement Amount, as
14 set forth in this Agreement at Section I., M.

15 D. Release by Settlement Class Members. Upon entry of final judgment and Defendants
16 fully funding the Gross Settlement Amount, in exchange for the consideration set forth in this
17 Agreement, Plaintiffs and the Settlement Class Members release the Released Parties from
18 the Released Class Claims for the Class Period. The "Released Class Claims" shall mean
19 and include, but are not limited to all claims alleged by Plaintiffs in any complaints in the
20 Action, or which could have been alleged by Plaintiffs in any complaints in the Action by
21 reason of or in connection with any matter or fact set forth or referred to in the complaints,
22 which include claims for (i) unfair competition in violation of California Business &
23 Professions Code section 17200 et seq., (ii) failure to pay minimum wages in violation of
24 Cal. Labor Code sections 1194, 1197, & 1197.1, (iii) failure to pay overtime wages in
25 violation of Cal. Labor Code sections 510 et seq., (iv) failure to provide required meal periods
26 in violation of Cal. Labor Code sections 226.7 and 512 and applicable wage order, (v) failure
27 to provide required rest periods in violation of Cal. Labor Code sections 226.7 and 512 and

1 applicable wage order, (vi) failure to reimburse employees for required expenses in violation
2 of Cal. Labor Code sections 2802, (vii) failure to provide accurate itemized statements in
3 violation of Cal. Labor Code section 226, and (viii) failure to provide wages when due in
4 violation of Cal. Labor Code sections 201, 202, and 203, and which also include without
5 limitation any and all claims, debts, liabilities, demands, actions, or causes of action,
6 damages, interest, penalties, wages, and equitable relief arising from or relating to the
7 Released Class Claims during the Class Period as defined herein. Without limiting the
8 foregoing, the Released Class Claims shall also include claims for (i) failure to compensate
9 for all hours worked (California Industrial Welfare Commission Order 4-2001/5-2001,
10 California Code of Regulations Title 8 Section 11040/11050, and California Labor Code
11 section 1198), (ii) failure to pay minimum wages (California Labor Code sections 1194,
12 1194.2, 1197), (iii) failure to pay overtime wages (California Industrial Welfare Commission
13 Order 4-2001/5-2001, California Code of Regulations Title 8 Section 11040/11050,
14 California Labor Code section 510), (iv) failure to provide accurate itemized wage statements
15 (California Labor Code section 226), (v) failure to pay wages owed every pay period
16 (California Labor Code section 204), (vi) failure to pay wages when employment ends
17 (California Labor Code sections 201, 203), (vii) failure to provide rest breaks/rest periods,
18 (viii) failure to provide meal breaks/meal periods, (ix) failure to reimburse business expenses
19 and failure to indemnify, (x) waiting time penalties, (xi) violation of Cal. Labor Code section
20 227.3, (xii) failure to pay all wages due upon termination, (xiii) failure to timely pay wages
21 during employment, and (xiv) violation of Business & Professions Code section 17200 and
22 unfair competition, as well as claims for failure to provide unpaid wages, including but not
23 limited to failure to pay minimum wages, straight time compensation, overtime
24 compensation, and interest; failure to timely pay regular and preliminary wages; failure to
25 provide compliant meal, rest, and/or recovery periods; failure to pay premiums at all or at the
26 correct rate for any violation of meal, rest, and recovery period obligations; compensation
27 due by reason of a split shift; reporting time pay; sick time and sick pay claims; claims arising

1 from invalid meal period waivers and on-duty meal period waivers; payment for all hours
2 worked; wage statements and paystubs, including wage statements and paystubs furnished or
3 available in physical, electronic, or other forms; failure to keep accurate records; making
4 unlawful deductions; failing to reimburse business expenses; unfair business practices; any
5 and all related penalties, including recordkeeping penalties, wage statement penalties,
6 minimum wage penalties, and waiting time penalties; and statutory penalties and/or civil
7 penalties associated with any of the foregoing. Such Released Class Claims shall also
8 include, but are not limited to those claims arising under California Labor Code sections 98,
9 98.6, 200, 201-204, 204b, 206, 210, 212, 213, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224,
10 225, 225.5, 226, 226.2, 226.3, 226.7, 227.3, 232, 232.5 233, 234, 246, 246.5, 247, 247.5,
11 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 400-410, 432, 432.5, 432.6, 432.7, 432.8, 510,
12 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1197.14, 1198,
13 1198.5 1199, 1527, 2800, 2802, 2804, 2810.5, 2698 et seq., 2699 et seq., 3366, 3457, 6401,
14 6402, 6403, 6409.6, 6432, 8397.4, and/or those arising under the applicable Industrial
15 Welfare Commission Wage Order(s) (including but not limited to subsections 3, 4, 5, 7, 8, 9,
16 11, 12, 13, 18, and 20 of the applicable Wage Order(s) [including the provisions of the
17 California Code of Regulations codifying the applicable Wage Order(s)], which may include
18 but are not limited to Wage Orders 1-2001, 7-2001, and/or 9-2001); 8 C.C.R. §3395;
19 California Business and Professions Code section 17200 et seq. (including, without
20 limitation, California Business and Professions Code sections 17200 through 17208, 16600,
21 16700); the California Civil Code sections 3287, 3289, and 3294; California Code of Civil
22 Procedure sections 1021.5 and 1032; California Government Code section 12952, and any
23 related claims under the Fair Labor Standards Act (“FLSA”) (29 U.S.C. §§ 201, et seq.). The
24 Parties intend that these releases be construed as broadly as possible to encompass all claims
25 alleged by Plaintiffs, or those which could have been alleged by Plaintiffs based on the factual
26 allegations in the operative complaint(s) in the Action. These releases exclude the release of
27 claims not permitted by law. This Agreement is the compromise of all possible disputed

1 claims related to wages and fully and finally settles all possible claims between the Parties
2 regarding Plaintiffs' and Class Members' wages. The Parties warrant and represent that these
3 releases resolve, pursuant to Labor Code sections 206 and 206.5, and applicable case law
4 (including but not limited to *Chindarah v. Pick Up Stix, Inc.* (2009) 171 Cal.App.4th 796) a
5 good faith dispute regarding any and all wages, if any, owed to Plaintiffs and Class Members
6 through their last day of employment with Released Parties within the Class Period.

7 E. Release by the Aggrieved Employees. Upon entry of final judgment and Defendants fully
8 funding the Gross Settlement Amount, in exchange for the consideration set forth in this
9 Agreement, the Plaintiffs, the Aggrieved Employees, the LWDA and the State of California
10 release the Released Parties from the Released PAGA Claims for the PAGA Period. The
11 "Released PAGA Claims" means and includes, but is not limited to, the PAGA cause of
12 action (and any other claims and corresponding requests for relief) asserted by Plaintiffs on
13 behalf of Plaintiffs and the Aggrieved Employees in the Action, namely all claims, rights,
14 demands, liabilities, allegations, and causes of action arising from PAGA that were pled,
15 alleged, or reasonably could have been alleged based on the facts asserted in any complaints
16 in the Action and based on all Plaintiffs' PAGA notices filed and submitted in connection
17 with this Action, violations of the PAGA (Labor Code sections 2698 et seq.), and any claims
18 for PAGA penalties under California Labor Code sections 201, 202, 203, 204, 210, 226,
19 226.3, 226.7, 510, 512, 558, 1174(d), 1174.5, 1194, 1197.1, 1198, and 2802. As a result of
20 these releases, the Plaintiffs and Aggrieved Employees shall be precluded from bringing
21 claims against Defendants in connection with PAGA and the Released PAGA Claims.

22 F. General Release by Plaintiffs. Upon entry of final judgment and Defendants fully funding the
23 Gross Settlement Amount, for the consideration set forth in this Agreement, Plaintiffs waive,
24 release, acquit and forever discharge the Released Parties from any and all claims, whether
25 known or unknown, which exist or may exist on either Plaintiffs' behalf as of the date of this
26 Agreement, including but not limited to any and all tort claims, contract claims, wage claims,
27 wrongful termination claims, disability claims, benefit claims, public policy claims,

1 retaliation claims, statutory claims, personal injury claims, emotional distress claims,
2 invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any
3 and all claims arising under any federal, state or other governmental statute, law, regulation
4 or ordinance, including, but not limited to claims for violation of the Fair Labor Standards
5 Act, the California Labor Code, the Wage Orders of California's Industrial Welfare
6 Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age
7 Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act,
8 Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act,
9 the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower
10 Protection Act, California Business & Professions Code Section 17200 et seq., and any and
11 all claims arising under any federal, state or other governmental statute, law, regulation or
12 ordinance. Plaintiffs also waive and relinquish any and all claims, rights or benefits that
13 Plaintiffs may have under California Civil Code § 1542, which provides as follows:

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

20 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
21 release and discharge of the Released Parties, Plaintiffs expressly acknowledge this
22 Settlement Agreement is intended to include in its effect, without limitation, all claims
23 Plaintiffs do not know or suspect to exist in Plaintiffs' favor at the time of signing this
24 Settlement Agreement, and that this Settlement Agreement extinguishes any such claims.
25 Plaintiffs warrant that Plaintiffs have read this Settlement Agreement, including this waiver
26 of California Civil Code section 1542, and that Plaintiffs have consulted with or had the
27 opportunity to consult with counsel of Plaintiffs' choosing about this Settlement Agreement

1 and specifically about the waiver of section 1542, that Plaintiffs understand this Settlement
2 Agreement and the section 1542 waiver, and Plaintiffs freely and knowingly enter into this
3 Settlement Agreement. Plaintiffs further acknowledge that Plaintiffs later may discover facts
4 different from or in addition to those Plaintiffs now know or believe to be true regarding the
5 matters released or described in this Settlement Agreement, and even so Plaintiffs agree that
6 the releases and agreements contained in this Settlement Agreement shall remain effective
7 in all respects notwithstanding any later discovery of any different or additional facts.
8 Plaintiffs expressly assume any and all risk of any mistake in connection with the true facts
9 involved in the matters, disputes, or controversies released or described in this Settlement
10 Agreement or with regard to any facts now unknown to Plaintiffs relating thereto.

11 G. Conditions Precedent: This Settlement will become final and effective only upon the
12 occurrence of all of the following events:

- 13 1. An amended PAGA notice and an amended complaint in the Action are filed
14 and submitted, with the prior written approval of Defendants, as set forth in
15 this Agreement, the Villeda Actions pending in San Joaquin County Superior
16 Court are dismissed without prejudice, and a Notice of Settlement is filed in
17 the Gray Individual Action;
- 18 2. The Court enters an order granting preliminary approval of the Settlement;
- 19 3. The Court enters an order granting final approval of the Settlement and issues
20 a final judgment;
- 21 4. The Effective Date occurs; and
- 22 5. Defendants fully fund the Gross Settlement Amount.

23 H. Nullification of Settlement Agreement. If this Settlement Agreement is not
24 preliminarily or finally approved by the Court, fails to become effective pursuant to
25 the terms of this Settlement Agreement, or is reversed, withdrawn or modified by the
26 Court, or in any way prevents or prohibits Defendants from obtaining a complete
27

1 resolution and the releases set forth in this Settlement Agreement, or if Defendants fail
2 to fully fund the Gross Settlement Amount:

- 3 1. This Settlement Agreement shall be invalid, void *ab initio* and of no force or
4 effect of any kind, and shall not be admissible in any judicial, administrative
5 or arbitral proceeding for any purpose or with respect to any issue, substantive
6 or procedural;
- 7 2. The conditional class certification shall be invalid, void *ab initio* and of no
8 force or effect of any kind, and shall not be admissible in any judicial,
9 administrative or arbitral proceeding for any purpose or with respect to any
10 issue, substantive or procedural;
- 11 3. None of the Parties to this Settlement Agreement will be deemed to have
12 waived any claims, objections, defenses or arguments in the Action, including
13 with respect to the issue of potential class certification; and
- 14 4. Defendants shall bear the sole responsibility for any cost to issue or reissue
15 any curative notice to the Settlement Class Members and all Claims
16 Administration Expenses incurred to the date of nullification if the Agreement
17 is nullified due to Defendants' failure to fully fund the Gross Settlement
18 Amount. If the Agreement is invalidated and nullified due to Plaintiffs' failure
19 to comply with the terms and provision relating to an amended PAGA notice
20 and an amended complaint, Plaintiffs shall be responsible for the fees and
21 costs as set forth in that section. If the Agreement is nullified for any other
22 reason, Plaintiffs and Defendants shall equally bear the responsibility for any
23 cost to issue or reissue any curative notice to the Settlement Class Members
24 and all Claims Administration Expenses incurred to the date of nullification.

25 I. Certification of the Settlement Class. The Parties stipulate to conditional class
26 certification of the Class for the Class Period for purposes of settlement only. In the
27 event that this Settlement is not approved by the Court, fails to become effective, or is

1 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
2 Defendants from obtaining a complete resolution and the releases set forth in this
3 Settlement Agreement, the conditional class certification shall be invalid, void *ab*
4 *initio* and of no force or effect of any kind, and shall not be admissible in any judicial,
5 administrative or arbitral proceeding for any purpose or with respect to any issue,
6 substantive or procedural.

7 J. Tax Liability. The Parties make no representations as to the tax treatment or legal
8 effect of the payments called for, and Class Members and/or Aggrieved Employees are
9 not relying on any statement or representation by the Parties in this regard. Class
10 Members and/or Aggrieved Employees understand and agree that they will be
11 responsible for the payment of any taxes and penalties assessed on the Individual
12 Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved
13 Employee Payment and will be solely responsible for any penalties or other obligations
14 resulting from their personal tax reporting of Individual Settlement Payments and/or
15 Aggrieved Employees' individual shares of the Aggrieved Employees Payment.

16 K. Circular 230 Disclaimer. Each Party to this Agreement acknowledges and agrees that:
17 (1) no provision of this Agreement, and no written communication or disclosure
18 between or among the Parties or their attorneys and other advisers, is or was intended
19 to be, nor shall any such communication or disclosure constitute or be construed or be
20 relied upon as, tax advice within the meaning of United States Treasury Department
21 circular 230 (31 CFR part 10, as amended); (2) each Party(a) has relied exclusively
22 upon his, her or its own, independent legal and tax counsel for advice (including tax
23 advice) in connection with this Agreement, (b) has not entered into this Agreement
24 based upon the recommendation of any other Party or any attorney or advisor to any
25 other Party, and (c) is not entitled to rely upon any communication or disclosure by
26 any attorney or adviser to any other party to avoid any tax penalty that may be imposed
27 on the acknowledging party, and (3) no attorney or adviser to any other Party has

1 imposed any limitation that protects the confidentiality of any such attorney's or
2 adviser's tax strategies (regardless of whether such limitation is legally binding) upon
3 disclosure by the acknowledging party of the tax treatment or tax structure of any
4 transaction, including any transaction contemplated by this Agreement.

5 L. Preliminary Approval Motion. After an amended PAGA notice and amended
6 complaint are filed and submitted as set forth in this Agreement, Plaintiffs shall file
7 with the Court a Motion for Order Granting Preliminary Approval and supporting
8 papers, which shall include this Settlement Agreement. Plaintiffs will provide
9 Defendants with a draft of the Motion and supporting papers at least 5 business days
10 prior to the filing of the Motion to give Defendants an opportunity to propose changes
11 or additions to the Motion.

12 M. Settlement Administrator. The Settlement Administrator shall be responsible for:
13 establishing and administering the QSF; calculating, processing and mailing payments
14 to the Class Representatives, Class Counsel, LWDA and Class Members; printing and
15 mailing the Notice Packets to the Class Members as directed by the Court; receiving
16 and reporting the objections and requests for exclusion; calculating, deducting and
17 remitting all legally required taxes from Individual Settlement Payments and
18 distributing tax forms for the portions of the Individual Settlement Payments and/or
19 Aggrieved Employees' individual shares of the Aggrieved Employee Payment;
20 processing and mailing tax payments to the appropriate state and federal taxing
21 authorities; providing declaration(s) as necessary in support of preliminary and/or final
22 approval of this Settlement; and other tasks as the Parties mutually agree or the Court
23 orders the Settlement Administrator to perform. The Settlement Administrator shall
24 keep the Parties timely apprised of the performance of all Settlement Administrator
25 responsibilities by among other things, sending a weekly status report to the Parties'
26 counsel stating the date of the mailing, the number of exclusions and objections
27 received.

1 Class Members. The Class Data will be presumed to be correct unless a
2 particular Class Member proves otherwise to the Settlement Administrator by
3 credible written evidence. All Workweek disputes will be resolved and
4 decided by the Settlement Administrator, and the Settlement Administrator's
5 decision on all Workweek disputes is final and non-appealable.

6 2. Notice Packets.

7 a) The Notice Packet shall contain the Notice of Class Action Settlement
8 in a form substantially similar to the form attached as **Exhibit A.**

9 b) The Notice Packet's mailing envelope shall include the following
10 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
11 ENTITLED TO PARTICIPATE IN A CLASS ACTION
12 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
13 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
14 NOTICE."

15 3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the
16 Settlement Administrator will perform a search based on the National Change
17 of Address Database to update and correct any known or identifiable address
18 changes. No later than twenty-one (21) calendar days after preliminary
19 approval of the Settlement, the Settlement Administrator shall mail copies of
20 the Notice Packet to all Class Members via regular First-Class U.S. Mail and
21 electronic mail. The Settlement Administrator shall exercise its best judgment
22 to determine the current mailing address for each Class Member. The address
23 identified by the Settlement Administrator as the current mailing address shall
24 be presumed to be the best mailing address for each Class Member.

25 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
26 Administrator as non-delivered on or before the Response Deadline shall be
27 re-mailed to any forwarding address provided. If no forwarding address is

1 provided, the Settlement Administrator shall promptly attempt to determine a
2 correct address by lawful use of skip-tracing, or other search using the name,
3 address and/or Social Security number of the Class Member involved, and
4 shall then perform a re-mailing, if another mailing address is identified by the
5 Settlement Administrator. In addition, if any Notice Packets, which are
6 addressed to Class Members who are currently employed by Defendants, are
7 returned to the Settlement Administrator as non-delivered and no forwarding
8 address is provided, the Settlement Administrator shall notify Defendants.
9 Defendants will request that the currently employed Class Member provide a
10 corrected address and transmit to the Administrator any corrected address
11 provided by the Class Member. Class Members who received a re-mailed
12 Notice Packet shall have their Response Deadline extended fifteen (15) days
13 from the original Response Deadline.

14 5. Disputes Regarding Individual Settlement Payments. Class Members will
15 have the opportunity, should they disagree with Defendants' records regarding
16 the start and end dates of employment to provide documentation and/or an
17 explanation to show contrary dates. If there is a dispute, the Settlement
18 Administrator will consult with the Parties to determine whether an
19 adjustment is warranted. The Settlement Administrator shall determine the
20 eligibility for, and the amounts of, any Individual Settlement Payments under
21 the terms of this Agreement. The Settlement Administrator's determination
22 of the eligibility for and amount of any Individual Settlement Payment shall
23 be binding upon the Class Member and the Parties.

24 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
25 by the Settlement Administrator concerning the administration of the
26 Settlement will be resolved by the Court under the laws of the State of
27 California. Before any such involvement of the Court, counsel for the Parties

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will confer in good faith to attempt to resolve the disputes without the necessity of involving the Court.

7. Exclusions. The Notice of Class Action Settlement contained in the Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit a written, signed and dated request for exclusion. The request for exclusion must state in substance that the Class Member has read the Notice Packet and that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Gray, et al. v. Sky Hotels, Inc., et al.*, currently pending in Superior Court of Stanislaus, Case No. CV-22-004004. The request for exclusion must contain the Class Member’s name, address, signature, and the last four digits of his or her Social Security Number for verification purposes. The request for exclusion must be signed by the Class Member. No other person may opt out for a member of the Class. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage members of the Class to submit requests for exclusion from the Settlement.

8. Objections. The Notice of Class Action Settlement contained in the Notice Packet shall state that Class Members who wish to object to the Settlement may submit to the Settlement Administrator a written statement of objection (“Notice of Objection”) by the Response Deadline. The postmark date of mailing shall be deemed the exclusive means for determining that a Notice of Objection was served timely. The Notice of Objection, if in writing, must be signed by the Settlement Class Member and state: (1) the case name and number; (2) the name of the Settlement Class Member; (3) the address of the Settlement Class Member; (4) the last four digits of the Settlement Class Member’s Social Security number; (5) the basis for the objection; and (6) if the Settlement Class Member intends to appear at the Final

1 Approval/Settlement Fairness Hearing. Class Members who fail to make
2 objections in writing in the manner specified above may still make their
3 objections orally at the Final Approval/Settlement Fairness Hearing with the
4 Court's permission. Settlement Class Members will have a right to appear at
5 the Final Approval/Settlement Fairness Hearing to have their objections heard
6 by the Court regardless of whether they submitted a written objection. At no
7 time shall any of the Parties or their counsel seek to solicit or otherwise
8 encourage Class Members to file or serve written objections to the Settlement
9 or appeal from the Order and Final Judgment. Class Members who submit a
10 written request for exclusion may not object to the Settlement. Class Members
11 may not object to the PAGA Payment.

12 O. Allocation of the Gross Settlement Amount.

- 13 1. Calculation of Individual Settlement Payments. Individual Settlement
14 Payments shall be paid from the Net Settlement Amount and shall be paid
15 pursuant to the formula set forth herein. Using the Class Data, the Settlement
16 Administrator shall add up the total number of Workweeks for all Class
17 Members. The respective Workweeks for each Class Member will be divided
18 by the total Workweeks for all Class Members, resulting in the Payment Ratio
19 for each Class Member. Each Class Member's Payment Ratio will then be
20 multiplied by the Net Settlement Amount to calculate each Class Member's
21 estimated Individual Settlement Payments. Each Individual Settlement
22 Payment will be reduced by any legally mandated employee tax withholdings
23 (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class
24 Members who submit valid and timely requests for exclusion will be
25 redistributed to Settlement Class Members who do not submit valid and timely
26 requests for exclusion on a pro rata basis based on their respective Payment
27 Ratios.

1 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
2 Class Data, the Settlement Administrator shall add up the total number of
3 PAGA Pay Periods for all Aggrieved Employees during the PAGA Period.
4 The respective PAGA Pay Periods for each Aggrieved Employee will be
5 divided by the total PAGA Pay Periods for all Aggrieved Employees, resulting
6 in the “PAGA Payment Ratio” for each Aggrieved Employee. Each
7 Aggrieved Employee’s PAGA Payment Ratio will then be multiplied by the
8 Aggrieved Employee’s Portion of the PAGA Payment, \$7,500.00 (25% of
9 \$30,000.00), to calculate each Aggrieved Employee’s estimated share of the
10 PAGA Payment.

11 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
12 Settlement Payments shall be allocated and treated as 10% wages (the “Wage
13 Portion”), 87.5% penalties and interest, and 2.5% reimbursements. The Wage
14 Portion of the Individual Settlement Payments shall be reported on IRS Form
15 W-2 and all remaining portions of the Individual Settlement Payments shall
16 be reported on IRS Form 1099 issued by the Settlement Administrator.

17 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
18 Employee Payments shall be allocated and treated as 100% penalties and shall
19 be reported on IRS Form 1099.

20 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
21 individual shares of the PAGA Payment made to Settlement Class Members
22 and/or Aggrieved Employees under this Settlement Agreement, as well as any
23 other payments made pursuant to this Settlement Agreement, will not be
24 utilized to calculate any additional benefits under any benefit plans to which
25 any Class Members and/or Aggrieved Employees may be eligible, including,
26 but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock
27 purchase plans, vacation plans, sick leave plans, PTO plans, and any other

1 benefit plan. Rather, it is the Parties' intention that this Settlement Agreement
2 will not affect any rights, contributions, or amounts to which any Class
3 Members and/or Aggrieved Employees may be entitled under any benefit
4 plans.

5 6. It is the intent of the Parties that Individual Settlement Payments and individual
6 shares of the PAGA Payment provided for in this Settlement Agreement are the
7 sole payments to be made by Defendants to Settlement Class Members and/or
8 Aggrieved Employees in connection with this Settlement Agreement, with the
9 exception of Plaintiffs who are also entitled to Service Awards and nothing
10 more, and that the Settlement Class Members and/or Aggrieved Employees are
11 not entitled to any new or additional compensation or benefits as a result of
12 having received the Individual Settlement Payments and/or their shares of the
13 Aggrieved Employee Payment.

14 7. Mailing. Individual Settlement Payments and PAGA Payments shall be
15 mailed by regular First-Class U.S. Mail to Settlement Class Members' and/or
16 Aggrieved Employees' last known mailing address no later than fifteen (15)
17 calendar days after the date of the first installment payment.

18 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
19 Employees shall remain valid and negotiable for one hundred and eighty (180)
20 days from the date of their issuance. If a Settlement Class Member and/or
21 Aggrieved Employee does not cash his or her settlement check within 90 days,
22 the Settlement Administrator will send a letter to such persons, advising that
23 the check will expire after the 180th day, and invite that Settlement Class
24 Member and/or Aggrieved Employee to request reissuance in the event the
25 check was destroyed, lost or misplaced. In the event an Individual Settlement
26 Payment and/or Aggrieved Employee's individual share of the PAGA
27 Payment check has not been cashed within one hundred and eighty (180) days,

1 all funds represented by such uncashed checks, plus any interest accrued
2 thereon, shall be paid to the Community Law Project, a Cy Pres, in accordance
3 with California Code of Civil Procedure section 384.

4 9. Service Awards. In addition to the Individual Settlement Payment as a
5 Settlement Class Member and his or her individual share of the Aggrieved
6 Employee Payment, Plaintiffs will apply to the Court for an award of not more
7 than \$10,000.00 each as the Service Awards. Defendants will not oppose
8 Service Awards of not more than \$10,000.00 for each Plaintiff. The
9 Settlement Administrator shall pay the Service Awards, either in the amount
10 stated herein if approved by the Court or some other amount as approved by
11 the Court, to Plaintiffs from the Gross Settlement Amount no later than fifteen
12 (15) calendar days after the Date of Last Installment Payment. Any portion
13 of the requested Service Awards that is not awarded to the Class
14 Representatives shall be part of the Net Settlement Amount and shall be
15 distributed to Settlement Class Members as provided in this Agreement. The
16 Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiffs
17 for his or her Service Awards. Plaintiffs shall be solely and legally responsible
18 to pay any and all applicable taxes on his or her Service Awards and shall hold
19 harmless the Released Parties from any claim or liability for taxes, penalties,
20 or interest arising as a result of the Service Awards. Approval of this
21 Settlement shall not be conditioned on Court approval of the requested amount
22 of the Service Awards. If the Court reduces or does not approve the requested
23 Service Awards, Plaintiffs shall not have the right to revoke the Settlement,
24 and it will remain binding.

25 10. Attorneys' Fees and Attorneys' Expenses. Defendants understand Class
26 Counsel will file a Motion for Attorneys' Fees not to exceed one-third of the
27 Gross Settlement Amount currently estimated to be \$161,666.67 *and*

1 Attorneys' Expenses supported by declaration not to exceed Thirty Thousand
2 Dollars (\$30,000.00). Any awarded Attorneys' Fees and Attorneys' Expenses
3 shall be paid from the Gross Settlement Amount. Any portion of the requested
4 Attorneys' Fees and/or Attorneys' Expenses that are not awarded to Class
5 Counsel shall be part of the Net Settlement Amount and shall be distributed
6 to Settlement Class Members as provided in this Agreement. The Settlement
7 Administrator shall pay the Attorneys' Fees to Class Counsel from the Gross
8 Settlement Amount no later than fifteen (15) calendar days after the Date of
9 Last Installment Payment. Class Counsel shall be solely and legally
10 responsible to pay all applicable taxes on the payment made pursuant to this
11 paragraph. The Settlement Administrator shall issue an IRS Form 1099 —
12 MISC to Class Counsel for the payments made pursuant to this paragraph. In
13 the event that the Court reduces or does not approve the requested Attorneys'
14 Fees, Plaintiffs and Class Counsel shall not have the right to revoke the
15 Settlement, or to appeal such order, and the Settlement will remain binding.

16 11. PAGA Payment. Thirty Thousand Dollars (\$30,000.00) shall be allocated
17 from the Gross Settlement Amount for settlement of claims for civil penalties
18 under the Private Attorneys General Act of 2004. The Settlement
19 Administrator shall pay seventy-five percent (75%) of the PAGA Payment
20 (\$22,500.00) to the California Labor and Workforce Development Agency no
21 later than fifteen (15) calendar days after the date of the first installment
22 payment. Twenty-five percent (25%) of the PAGA Payment (\$7,500.00) will
23 be distributed to the Aggrieved Employees as described in this Agreement.
24 For purposes of distributing the PAGA Payment to the Aggrieved Employees,
25 each Aggrieved Employee shall receive their pro-rata share of the Aggrieved
26 Employee Payment using the PAGA Payment Ratio as defined above.

1 elect to opt out of the settlement, as determined by the Settlement Administrator.
2 Defendants must exercise their right to terminate the settlement within fourteen (14)
3 calendar days from receipt of the final report from the Settlement Administrator. If
4 Defendants exercise their right under this section, Defendants shall be solely liable
5 for administrative costs incurred by the Settlement Administrator.

6 Q. Cooperation. The Parties and their counsel will cooperate with each other and use
7 their best efforts to implement the Settlement. The Parties will cooperate in vacating
8 any and all class certification motion hearing deadlines and trial dates, if any. The
9 Parties will cooperate in staying any and all discovery deadlines.

10 P. Continuing Jurisdiction. The Court shall retain continuing jurisdiction over this Action
11 under California Code of Civil Procedure section 664.6 to ensure the continuing
12 implementation of the provisions of this Settlement and that the time within which to
13 bring this Action to trial under California Code of Civil Procedure section 583.310
14 shall be extended from the date of signing of this Agreement by all Parties until the
15 entry of the Final Approval Order and Judgment, or if not entered, the date this
16 Agreement shall no longer be of any force or effect.

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

19 R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
20 Agreement among the Parties, and no oral or written representations, warranties or
21 inducements have been made to any Party concerning this Agreement or its Exhibit
22 other than the representations, warranties and covenants contained and memorialized
23 in this Agreement and its Exhibit.

24 S. Authorization to Enter into Settlement Agreement. The persons signing this
25 Agreement on behalf of Defendants represent and warrant that he/she is authorized to
26 sign this Agreement on behalf of Defendants. Each of the Plaintiffs represent and
27

1 warrant that he/she is authorized to sign this Agreement and that he/she has not
2 assigned any claim, or part of a claim, covered by this Settlement to a third-party.

3 T. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
4 to the benefit of, the successors or assigns of the Parties.

5 U. California Law Governs. All terms of this Agreement, the Exhibit, and any disputes
6 shall be governed by and interpreted according to the laws of the State of California.

7 V. Counterparts. A facsimile signature, copy of an original signature, or electronic
8 signature shall be considered as valid as an original for purposes of this Agreement.
9 This Agreement may be executed in counterparts, and all copies so executed shall be
10 binding upon the Parties, notwithstanding that the signatures of the Parties do not
11 appear on the same page.

12 W. Headings. The descriptive headings of any paragraphs or sections of this Settlement
13 Agreement including the capitalized terms therein are inserted for convenience only.

14 X. Waivers. The waiver of any breach of this Settlement Agreement shall not be deemed
15 or construed as a waiver of any other breach of this Settlement Agreement, whether
16 prior, subsequent, contemporaneous, or continuing.

17 Y. Non-Disparagement. The Plaintiffs agree that Plaintiffs will not disparage or criticize
18 Defendants or their owners, shareholders, officers, directors, employees, agents,
19 members, managers, and/or representatives.

20 Z. Indemnification. Plaintiffs and Class Counsel acknowledge and agree that they are
21 and will be responsible for the payment of any and all Federal, State, and Local taxes
22 and penalties associated with their respective allocated portions of the payments
23 described herein, and agree to indemnify, defend, and hold the Released Parties
24 harmless from any and all claims by any Federal, State, or Local taxing authority that
25 Plaintiff or Class Counsel failed to pay or underpaid his/her/their taxes associated with
26 the payments set forth in this Settlement Agreement.

1 AA. Disputes. Any disputes between the Parties as to the remaining terms of the Settlement
2 Agreement shall be presented to a mediator for potential resolution with Plaintiffs and
3 Defendants splitting all mediation fees equally (i.e., Plaintiffs paying ½ of the
4 mediation fee, and Defendants paying ½ of the mediation fee).

5 BB. Severability. If one or more of the provisions contained in this Settlement Agreement
6 is deemed or held invalid, illegal, or unenforceable in any respect, then the invalid,
7 illegal, or unenforceable provisions shall be deemed stricken and the remaining
8 provisions shall remain valid. The Court shall attempt to construe the provisions valid
9 to the fullest extent possible consistent with applicable precedents so that all provisions
10 of this Agreement are valid and enforceable.

11 CC. No Unalleged Claims. Plaintiffs and Class Counsel represent that they do not intend
12 to pursue any claims against the Released Parties, including, but not limited to, any
13 and all claims relating to or arising from Plaintiffs' employment with Defendants,
14 regardless of whether Class Counsel is currently aware of any facts or legal theories
15 upon which any claims or causes of action could be brought against Released Parties,
16 and those facts or legal theories alleged in the operative complaint in this Action. The
17 Parties further acknowledge, understand and agree that this representation is essential
18 to the Agreement and that this Agreement would not have been entered into were it
19 not for this representation.

20 DD. No Admissions by the Parties. Plaintiffs have claimed and continue to claim that the
21 Released Claims have merit and give rise to liability on the part of Defendants.
22 Defendants claimed and continue to claim that all of the claims released herein have
23 no merit and do not give rise to liability. This Agreement is a compromise of disputed
24 claims. Nothing contained in this Agreement, no documents referred to in connection
25 with this Agreement, and no actions taken to carry out this Agreement may be
26 construed or used as an admission by or against the Defendants, Plaintiffs, or Class
27 Counsel as to the merits or lack thereof of the claims asserted. The Parties' Settlement

1 and this Agreement are conditioned upon the Court's approval. Other than as may be
2 specifically set forth herein, each Party shall be responsible for and shall bear
3 its/his/her own attorney's fees and costs.

4 EE. Confidentiality/Non-Publicity: Plaintiffs and Class Counsel will keep the complaints,
5 PAGA letters and notices, and this Settlement Agreement confidential through
6 preliminary approval. Thereafter, Plaintiffs and Class Counsel will further agree to
7 keep this Settlement Agreement, complaints and the PAGA letters and notices
8 confidential, including without limitation no disclosures to current or former
9 employees of the Released Parties, to the media, or on any websites, blogs, social
10 media, and/or online platforms. Exceptions to the obligation of confidentiality in this
11 section are: (i) disclosures necessary to comply with the law, judicial process, or for
12 financial planning or tax preparation purposes; (ii) to obtain and seek approval of this
13 settlement in court and as is necessary to provide settlement information to Class
14 Members and the Settlement Administrator, and (iii) if any party seeks to enforce any
15 term or condition of this Agreement against any other party.

16 IT IS SO AGREED BY PLAINTIFFS:

17
18 DATED: 08/08/2025

Edward M Gray
Edward M Gray (Aug 8, 2025 17:09:52 PDT)

Edward Gray

19
20 DATED: 08/08/2025

Jessica Muto
Jessica Muto (Aug 8, 2025 13:56:26 PDT)

Jessica Muto

21
22 DATED: 08/08/2025

Tammy D Lallier
Tammy D Lallier (Aug 8, 2025 13:23:13 PDT)

Tammy Lallier

23
24 DATED: 08/08/2025

Jonathan Harrison-Liam Olson II
Jonathan Harrison-Liam Olson II (Aug 8, 2025 15:22:12 PDT)

Jonathan Harrison-Liam Olson II

25
26 DATED: 08/21/2025

Keily Villeda

Keily Villeda

1 IS SO AGREED BY DEFENDANTS:

2

3 DATED: 9-3-25

N. Patel
Sky Hotels, Inc.

4

Nick Patel
Printed Name

5

6

Manager
Title

7

8

9 DATED: 9-3-25

N. Patel
Modco 2, LLC

10

Nick Patel
Printed Name

11

12

Manager
Title

13

14

15 DATED: 9-3-25

N. Patel
J.R.P. Hospitality, Inc.

16

Nick Patel
Printed Name

17

18

Manager
Title

19

20

21 DATED: 9-3-25

N. Patel
CY3, LLC

22

Nick Patel
Printed Name

23

24

Manager
Title

25

26

27

28

1 DATED: 9-3-25

N. Patel
Nimesh Patel

3 DATED: 9-3-25

Surekha Patel
Surekha Patel

6 DATED: 9-3-25

Mahesh Patel
Mahesh Patel

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EXHIBIT A

1 **NOTICE OF PENDENCY OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT**
2 **AND FINAL HEARING DATE**

3 *(Gray, et al. v. Sky Hotels, Inc., et al., Stanislaus County Superior Court Case No. CV-22-*
4 *004004)*

5 **YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**
6 **PLEASE READ THIS NOTICE CAREFULLY.**

7 **SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:**

| | |
|---|---|
| 8 Do Nothing and Receive a Payment | To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Individual Settlement Payment is: \$<< [REDACTED] >>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below. |
| 12 Exclude Yourself | If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement . If you are an Aggrieved Employee, you will still receive your PAGA Payment Share. Instructions are set forth below. |
| 16 Object | You may write to the Court about why you believe the settlement should not be approved. Directions are provided below. |

18 **1. Why did I get this Notice?**

19 A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court
20 for the State of California, County of Stanislaus (the “Court”) has been reached between Plaintiffs
21 Edward Gray, Jessica Muto, Tammy Lallier, Jonathan Harrison-Liam Olson II, and Keily Villeda
22 (“Plaintiffs”) and Defendants Sky Hotels, Inc., Modco 2, LLC, CY3, LLC, J.R.P. Hospitality, Inc.,
Nimesh Patel, Surekha Patel, and Mahesh Patel (“Defendants”). The Court has granted preliminary
approval of the Settlement. **You may be entitled to receive money from this Settlement.**

23 **You have received this Class Notice because you have been identified as a member of the Class.**

24 The Class is defined as:

25 All non-exempt employees who are or previously were employed by Defendants Sky
26 Hotels, Inc., Modco 2, LLC, CY3, LLC, J.R.P. Hospitality, Inc., Nimesh Patel,
27 Surekha Patel, and Mahesh Patel and performed work in California during the Class

1 Period.

2 The “Class Period” is the period from September 6, 2018 to [REDACTED].

3 This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you
4 read this Notice carefully as your rights may be affected by the Settlement.

5 **2. What is this class action lawsuit about?**

6 On September 6, 2022, Plaintiffs Edward Gray and Jessica Muto filed a Class Action Complaint in
7 the Superior Court of the State of California, County of Stanislaus, as Case No. CV-22-004004,
8 asserting various causes of action and allegations, as more specifically set forth in the Class Action
9 Complaint itself. Collectively, the Class Action Complaint, any subsequent amendments to the Class
Action Complaint, and all allegations and causes of action set forth in the complaints, shall all be
referred to as the “Action.”

10 Defendants expressly deny any liability or wrongdoing of any kind, dispute the claims alleged in the
11 Action, dispute any wages, damages and penalties claimed by the Class Representatives as being
owed, and further contend that the Action is not appropriate for class or representative action
12 treatment. Defendants further contend, among other things, that at all times they complied with the
13 law, the California Labor Code and the Industrial Welfare Commission Wage Orders.

14 The Parties have recently reached a settlement of the Action. The Court granted preliminary approval
of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court
15 also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the law firms of
JCL Law Firm, APC and Zakay Law Group, APLC, Bibiyan Law Group, PC, and Messrelian Law
16 to serve as Class Counsel.

17 **3. What are the terms of the Settlement?**

18 Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of Four Hundred
19 Eighty-Five Thousand Dollars and Zero Cents (\$485,000.00) (the “Gross Settlement Amount”) to
fund the settlement. The Gross Settlement Amount includes the payment of all Settlement Shares to
20 Settlement Class Members, Class Counsel’s attorneys’ fees and costs, Claims Administration
Expenses, the PAGA Payment, and the Service Awards to the Plaintiffs.

21
22 After the Effective Date, Defendants will pay the Gross Settlement Amount by depositing the money
with the Settlement Administrator in two separate installments as follows: (i) \$242,500.00 shall be
23 due sixty (60) calendar days after the Effective Date, plus any employer side payroll taxes on the
wage portion of the Individual Settlement Payments, and (ii) \$242,500.00 shall be due six (6) months
24 (182 calendar days) following the Effective Date. Individual Settlement Payments and PAGA
Payments shall be mailed by regular First-Class U.S. Mail to Settlement Class Members’ and/or
25 Aggrieved Employees’ last known mailing address no later than fifteen (15) calendar days after the
date of the first installment payment. The “Effective Date” means the later of the following dates:
26 (i) the date the Court enters final judgment and no appeal, writ or other challenge to the finality of
the judgment has been filed; or (ii) five (5) days after the day when all appeals, writs or other
27

1 challenges to the final judgment have been resolved in a manner that affirms the finality of the
2 judgment and the time for the filing of any further appeals, writs or other challenges has lapsed.

3 Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain
4 payments to be made from the Gross Settlement Amount, which will be subject to final Court
5 approval, and which will be deducted from the Gross Settlement Amount before settlement payments
6 are made to Class Members, as follows:

- 7 • Claims Administration Expenses. Payment to the Settlement Administrator, estimated not to
8 exceed \$9,790.00 for expenses, including expenses of sending this Notice, processing opt-
9 outs, and distributing settlement payments.
- 10 • Attorneys' Fees and Expenses. Payment to Class Counsel of Attorneys' Fees of no more
11 than 1/3 of the Gross Settlement Amount (currently \$161,666.67) and Attorneys' Expenses
12 of not more than \$30,000.00 for all expenses incurred as documented in Class Counsel's
13 billing records, both subject to Court approval. Class Counsel have been prosecuting the
14 Actions on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being
15 paid any money to date) and have been paying all litigation costs and expenses.
- 16 • Service Awards. Service Award of up to Ten Thousand Dollars (\$10,000.00) to each Plaintiff
17 or such lesser amount as may be approved by the Court, to compensate them for services on
18 behalf of the Class in initiating and prosecuting the Action, and for the risks they undertook.
- 19 • PAGA Payment. A payment of \$30,000.00 relating to Plaintiffs' claim under the Private
20 Attorneys General Act ("PAGA"), \$22,500.00 of which will be paid to the State of
21 California's Labor and Workforce Development Agency ("LWDA") and the remaining
22 \$7,500.00 will be distributed to Aggrieved Employees as part of the Net PAGA Amount.
- 23 • Calculation of Payments to Settlement Class Members. After all the above payments of the
24 court-approved Attorneys' Fees, Attorneys' Expenses, the Service Awards, the PAGA
25 Payment, and the Claims Administration Expenses are deducted from the Gross Settlement
26 Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to
27 class members who do **not** request exclusion ("Settlement Class Members"). Settlement
28 Class Members will be paid based on the number of workweeks worked during the Class
Period. A "workweek" is defined as any seven (7) consecutive days beginning on Sunday
and ending on Saturday, in which a Class Member is employed and received any form of
compensation from Defendants.
- Calculation of Aggrieved Employees Payments to Aggrieved Employees. The PAGA
Payment shall be distributed to Aggrieved Employees irrespective of whether they exclude
themselves or opt-out. The PAGA Payment will be divided by the total number of pay
periods worked by all Aggrieved Employees during the PAGA Period, and then taking that
number and multiplying it by the number of pay periods worked by each respective
Aggrieved Employee during the PAGA Period. "Aggrieved Employee" means all non-
exempt employees who are or previously were employed by Defendants Sky Hotels, Inc.,

1 Modco 2, LLC, CY3, LLC, J.R.P. Hospitality, Inc., Nimesh Patel, Surekha Patel, and Mahesh
2 Patel and performed work in California during the PAGA Period. The PAGA Period means
3 the period from July 1, 2021 to [REDACTED].

4 **If the Settlement is approved by the Court, you will automatically be mailed a check for your**
5 **Individual Settlement Payment to the same address as this Notice Packet. You do not have to**
6 **do anything to receive a payment.** If your address has changed, you must contact the Settlement
7 Administrator to inform them of your correct address to ensure you receive your payment.

8 Tax Matters. Ten percent (10%) of each Individual Settlement Payment is allocated to wages. Taxes
9 are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue
10 Service Form W-2 for such payment. Eighty seven and a half percent (87.5%) of each Individual
11 Settlement Payment is allocated to interest and penalties, and two and a half percent (2.5%) is
12 allocated to reimbursements. Each Settlement Class Member will be issued an Internal Revenue
13 Service Form 1099 for the penalty, interest and reimbursement portions of the Individual Settlement
14 Payments. In addition, PAGA Payments to the Aggrieved Employees are allocated 100% to penalties
15 and no taxes will be withheld from the PAGA Payment paid to Aggrieved Employees. Each
16 Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment.
17 Neither Class Counsel nor Defendants' counsel intend anything contained in this Settlement to
18 constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the
19 tax consequences of the payments received under the Settlement.

20 No Credit Toward Benefit Plans. The Individual Settlement Payments and Aggrieved Employee
21 Payments made to Settlement Class Members and/or Aggrieved Employees under this Settlement
22 Agreement, as well as any other payments made pursuant to this Settlement Agreement, will not be
23 utilized to calculate any additional benefits under any benefit plans to which any Class Members
24 and/or Aggrieved Employees may be eligible, including, but not limited to profit-sharing plans,
25 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
26 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
27 affect any rights, contributions, or amounts to which any Class Members and/or Aggrieved
28 Employees may be entitled under any benefit plans.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting
final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Class Claims. Upon entry of final judgment and funding in full of the Gross Settlement
Amount by Defendants, Plaintiff and the Settlement Class Members shall release all Released Class
Claims that occurred during the Class Period as to the Released Parties. The Released Class Claims
means and includes, but is not limited to all claims alleged by Plaintiffs in any complaints in the
Action, or which could have been alleged by Plaintiffs in any complaints in the Action by reason of
or in connection with any matter or fact set forth or referred to in the operative complaint(s), which
include claims for (i) unfair competition in violation of California Business & Professions Code

1 section 17200 et seq., (ii) failure to pay minimum wages in violation of Cal. Labor Code sections
2 1194, 1197, & 1197.1, (iii) failure to pay overtime wages in violation of Cal. Labor Code sections
3 510 et seq., (iv) failure to provide required meal periods in violation of Cal. Labor Code sections
4 226.7 and 512 and applicable wage order, (v) failure to provide required rest periods in violation of
5 Cal. Labor Code sections 226.7 and 512 and applicable wage order, (vi) failure to reimburse
6 employees for required expenses in violation of Cal. Labor Code sections 2802, (vii) failure to
7 provide accurate itemized statements in violation of Cal. Labor Code section 226, and (viii) failure
8 to provide wages when due in violation of Cal. Labor Code sections 201, 202, and 203, and which
9 also include without limitation any and all claims, debts, liabilities, demands, actions, causes of
10 action, damages, interest, penalties, wages, and equitable relief arising from or relating to the
11 Released Class Claims during the Class Period, as defined herein. Without limiting the foregoing,
12 the Released Class Claims shall also include claims for (i) failure to compensate for all hours worked
13 (California Industrial Welfare Commission Order 4-2001/5-2001, California Code of Regulations
14 Title 8 Section 11040/11050, and California Labor Code section 1198), (ii) failure to pay minimum
15 wages (California Labor Code sections 1194, 1194.2, 1197), (iii) failure to pay overtime wages
16 (California Industrial Welfare Commission Order 4-2001/5-2001, California Code of Regulations
17 Title 8 Section 11040/11050, California Labor Code section 510), (iv) failure to provide accurate
18 itemized wage statements (California Labor Code section 226), (v) failure to pay wages owed every
19 pay period (California Labor Code section 204), (vi) failure to pay wages when employment ends
20 (California Labor Code sections 201, 203), (vii) failure to provide rest breaks/rest periods, (viii)
21 failure to provide meal breaks/meal periods, (ix) failure to reimburse business expenses and failure
22 to indemnify, (x) waiting time penalties, (xi) violation of Cal. Labor Code section 227.3, (xii) failure
23 to pay all wages due upon termination, (xiii) failure to timely pay wages during employment, and
24 (xiv) violation of Business & Professions Code section 17200 and unfair competition, as well as
25 claims for failure to provide unpaid wages, including but not limited to failure to pay minimum
26 wages, straight time compensation, overtime compensation, and interest; failure to timely pay regular
27 and preliminary wages; failure to provide compliant meal, rest, and/or recovery periods; failure to
28 pay premiums at all or at the correct rate for any violation of meal, rest, and recovery period
obligations; compensation due by reason of a split shift; reporting time pay; sick time and sick pay
claims; claims arising from invalid meal period waivers and on-duty meal period waivers; payment
for all hours worked; wage statements and paystubs, including wage statements and paystubs
furnished or available in physical, electronic, or other forms; failure to keep accurate records; making
unlawful deductions; failing to reimburse business expenses; unfair business practices; any and all
related penalties, including recordkeeping penalties, wage statement penalties, minimum wage
penalties, and waiting time penalties; and statutory penalties and/or civil penalties associated with
any of the foregoing. Such Released Class Claims shall also include, but are not limited to those
claims arising under California Labor Code sections 98, 98.6, 200, 201-204, 204b, 206, 210, 212,
213, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.2, 226.3, 226.7, 227.3, 232,
232.5 233, 234, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 400-410, 432,
432.5, 432.6, 432.7, 432.8, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1,
1197.5, 1197.14, 1198, 1198.5 1199, 1527, 2800, 2802, 2804, 2810.5, 2698 et seq., 2699 et seq.,
3366, 3457, 6401, 6402, 6403, 6409.6, 6432, 8397.4, and/or those arising under the applicable
Industrial Welfare Commission Wage Order(s) (including but not limited to subsections 3, 4, 5, 7, 8,
9, 11, 12, 13, 18, and 20 of the applicable Wage Order(s) [including the provisions of the California
Code of Regulations codifying the applicable Wage Order(s)], which may include but are not limited
to Wage Orders 1-2001, 7-2001, and/or 9-2001); 8 C.C.R. § 3395; California Business and

1 Professions Code section 17200 et seq. (including, without limitation, California Business and
2 Professions Code §§ 17200 through 17208, 16600, 16700); the California Civil Code sections 3287,
3 3289, and 3294; California Code of Civil Procedure sections 1021.5 and 1032; California
4 Government Code section 12952, and any related claims under the Fair Labor Standards Act
5 (“FLSA”) (29 U.S.C. §§ 201, et seq.). The Parties intend that these releases be construed as broadly
6 as possible to encompass all claims alleged by Plaintiffs, or those which could have been alleged by
7 Plaintiffs based on the factual allegations in the operative complaint(s) in the Action. These releases
8 exclude the release of claims not permitted by law. This Agreement is the compromise of all possible
9 disputed claims related to wages and fully and finally settles all possible claims between the Parties
10 regarding Plaintiffs’ and Class Members’ wages. The Parties warrant and represent that these
11 releases resolve, pursuant to Labor Code sections 206 and 206.5, and applicable case law (including
12 but not limited to *Chindarah v. Pick Up Stix, Inc.* (2009) 171 Cal.App.4th 796) a good faith dispute
13 regarding any and all wages, if any, owed to Plaintiffs and Class Members through their last day of
14 employment with Released Parties within the Class Period.

15 Released PAGA Claims. Upon funding in full of the Gross Settlement Amount by Defendants, all
16 Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-
17 out of the class settlement and will be bound by this PAGA Release (the “PAGA Release”). The
18 “Released PAGA Claims” means and includes, but is not limited to, the PAGA cause of action (and
19 any other claims and corresponding requests for relief) asserted by Plaintiffs on behalf of Plaintiffs
20 and the Aggrieved Employees in the Action, namely all claims, rights, demands, liabilities,
21 allegations, and causes of action arising from PAGA that were pled, alleged, or reasonably could
22 have been alleged based on the facts asserted in any complaints in the Action and based on all
23 Plaintiffs’ PAGA notices filed and submitted in connection with this Action, violations of the PAGA
24 (Labor Code sections 2698 et seq.), and any claims for PAGA penalties under California Labor Code
25 sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174(d), 1174.5, 1194, 1197.1,
26 1198, and 2802. As a result of these releases, the Plaintiffs and Aggrieved Employees shall be
27 precluded from bringing claims against Defendants in connection with PAGA and the Released
28 PAGA Claims.

18 This means that, if you do not timely and formally exclude yourself from the settlement, you cannot
19 sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved
20 by this Settlement. It also means that all of the Court’s orders in this Action will apply to you and
21 legally bind you. Irrespective of whether you exclude yourself from the Settlement, you will be
22 bound by the PAGA Release if you are an Aggrieved Employee, you will be deemed to have released
23 the Released PAGA Claims, and you will receive a share of the PAGA Payment.

22 **5. How much will my payment be?**

23 Defendants’ records reflect that you have << >> Workweeks worked during the Class
24 Period (September 6, 2018 to <>).

25 Based on this information, your estimated Settlement Share is << >>.

26 Defendants’ records reflect that you have << >> pay periods worked during the PAGA
27 Period (July 1, 2021 to <>).

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2 **Based on this information, your estimated PAGA Payment Share is << _____ >>.**

3 If you wish to challenge the information set forth above, then you must submit a written, signed
4 dispute challenging the information along with supporting documents, to the Settlement
5 Administrator at the address provided in this Notice no later than _____ [forty-five (45)
6 days after the Notice or fifteen (15) days after the re-mailed Notice].

6 **6. How can I get a payment?**

7 **To get money from the settlement, you do not have to do anything.** A check for your settlement
8 payment will be mailed automatically to the same address as this Notice. If your address is incorrect
9 or has changed, you must notify the Settlement Administrator. The Settlement Administrator is:
10 Apex Class Action LLC.

11 The Court will hold a hearing on _____ to decide whether to finally approve the
12 Settlement. If the Court approves the Settlement and there are no objections or appeals, payments
13 will be mailed within a few months after this hearing. If there are objections or appeals, resolving
14 them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the
15 Settlement Administrator will provide notice of the final judgment to the Class Members by posting
16 a copy of the Judgment on the administrator's website at www.apexclassaction.com.

17 **7. What if I don't want to be a part of the Settlement?**

18 If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or
19 "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be**
20 **bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself
21 from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to
22 have released the Released PAGA Claims, and you will receive a share of the PAGA Payment.

23 To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed
24 and dated request for exclusion postmarked no later than _____. The address for the
25 Settlement Administrator is 18 Technology Drive, Suite 164, Irvine, CA 92618; Tel. (800) 355-0700.
26 The request for exclusion must state in substance that the Class Member has read the Class Notice
27 and that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Gray,*
28 *et al. v. Sky Hotels, Inc., et al.*, currently pending in Superior Court of Stanislaus, Case No. CV-22-
004004. The request for exclusion must contain your name, address, signature and the last four digits
of your Social Security Number for verification purposes. The request for exclusion must be signed
by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or
unsigned will be rejected, and those Class Members will remain bound by the Settlement and the
release described above.

1 **8. How do I tell the Court that I would like to challenge the Settlement?**

2 Any Class Member who has not opted out and believes that the Settlement should not be
3 finally approved by the Court for any reason, may object to the proposed Settlement. Objections
4 may be in writing and state the Class Member's name, current address, telephone number, and
5 describe why you believe the Settlement is unfair and whether you intend to appear at the final
6 approval hearing. All written objections or other correspondence must also state the name and
7 number of the case, which is *Gray, et al. v. Sky Hotels, Inc., et al., Stanislaus County Superior
Court Case No. CV-22-004004*. You may also object without submitting a written objection by
8 appearing at the final approval hearing scheduled as described in Section 9 below.

9 To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you
10 will be bound by the terms of the Settlement in the same way as Class Members who do not object.
11 Any Class Member who does not object in the manner provided in this Class Notice shall have
12 waived any objection to the Settlement, whether by appeal or otherwise.

13 **Written objections must be delivered or mailed to the Settlement Administrator no later**
14 **than [REDACTED]**. The address for the Settlement Administrator is 18 Technology Drive,
15 Suite 164, Irvine, CA 92618; Tel: (800) 355-0700.

16 The addresses for the Parties' counsel are as follows:

17 **Class Counsel:**

18 Jean-Claude Lapuyade, Esq.
19 JCL Law Firm, APC
20 5440 Morehouse Drive, Suite 3600
21 San Diego, CA 92121
22 Tel.: (619) 599-8292
23 E-Mail: jlapuyade@jcl-lawfirm.com

24 **Counsel for Defendants:**

25 Ian B. Wieland, Esq.
26 Paul M. Parvanian, Esq.
27 Sagaser, Watkins & Wieland, PC
28 5260 North Palm Avenue, Suite 400
Fresno, CA 93704
Tel: (559) 421-7000
Fax: (559) 473-1483
E-Mail: ian@sw2law.com
paulp@sw2law.com

29 **Class Counsel:**

30 Shani O. Zakay, Esq.
31 Zakay Law Group, APLC
32 5440 Morehouse Drive, Suite 3600
33 San Diego, CA 92121
34 Tel: (619) 599-8292
35 Email: shani@zakaylaw.com

36 **Class Counsel:**

37 David D. Bibiyan, Esq.
38 Bibiyan Law Group, PC
39 1460 Westwood Boulevard

1 Los Angeles, CA 90024
2 Tel : (310) 438-5555
3 Email : david@tomorrowlaw.com

4 **Class Counsel:**

5 Harout Messrelian
6 Messrelian Law
7 500 N. Central Avenue, Suite 840
8 Glendale, California, 91203
9 Tel: (818) 484-6531
10 Fax: (818) 956-1983
11 Email: hm@messrelianlaw.com

12 **9. When and where will the Court decide whether to approve the Settlement?**

13 The Court will hold a Final Approval Hearing at _____ on _____, at the
14 Stanislaus County Superior Court, Department 23, located at 801 10th Street, Modesto, CA 95354
15 before Judge John D. Freeland. At this hearing, the Court will consider whether the Settlement is
16 fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to
17 grant final approval to the Settlement. If there are objections, the Court will consider them. The
18 Court will listen to people who have made a timely written request to speak at the hearing or who
19 appear at the hearing to object. This hearing may be rescheduled by the Court without further notice
20 to you. **You are not required to attend** the Final Approval Hearing, although any Class Member
21 is welcome to attend the hearing.

22 **10. How do I get more information about the Settlement?**

23 You may call the Settlement Administrator at 1-800-355-0700 or write to *Gray, et al. v. Sky Hotels,*
24 *Inc., et al., Stanislaus County Superior Court Case No. CV-22-004004*, Settlement Administrator,
25 18 Technology Drive, Suite 164, Irvine, CA 92618 c/o Apex Class Action, LLC.

26 This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You
27 may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents
28 by writing to JCL Law firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121 or by
visiting the administrator's website at www.apexclassaction.com.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to

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the Community Law Project, a Cy Pres. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.