Sergio Peralta, et al. v. LQ Management L.L.C, et al. United States District Court for the Southern District of California Case No. 3:14-cv-01027-DMS-JLB

ATTENTION: CURRENT AND FORMER EMPLOYEES OF LQ MANAGEMENT L.L.C.- ("LA QUINTA") YOU MAY RECEIVE MONEY FROM THIS CLASS ACTION SETTLEMENT

TO: ALL PERSONS WHO, AT ANY TIME FROM JUNE 21, 2012 TO JULY 23, 2015, WERE EMPLOYED BY LQ MANAGEMENT L.L.C. IN CALIFORNIA.

<u>PLEASE READ THIS NOTICE CAREFULLY.</u> YOUR RIGHTS MAY BE AFFECTED BY LITIGATION NOW PENDING IN THE ABOVE-ENTITLED COURT.

WHY IS THIS NOTICE BEING SENT TO YOU?

1. This Notice is to inform you that a proposed settlement (the "Settlement") in the case entitled "Sergio Peralta, et al. v. LQ Management L.L.C, et al." Case No. 3:14-cv-01027-DMS-JLB in United States District Court for the Southern District of California ("the Lawsuit"), has been reached by the parties, and has been granted preliminary approval by the court supervising the Lawsuit, the United States District Court for the Southern District of California (the "Court"). This is not a notice of a lawsuit against you. You are not being sued. Your participation in the Settlement will not affect your employment with La Quinta in any way whatsoever.

UNDER THE TERMS OF THE SETTLEMENT, LA QUINTA'S RECORDS SHOW THAT YOU ARE ELIGIBLE TO RECEIVE A LUMP SUM SETTLEMENT PAYMENT. THE AMOUNT OF YOUR ESTIMATED PAYMENT IS LISTED ON THE ENCLOSED SETTLEMENT ALLOCATION FORM.

2. The Court has ordered that this Notice be sent to you, because you may be a Class Member (defined below). The purpose of this Notice is to inform you of the proposed Settlement of the Lawsuit. The notice is also intended (1) to describe the Settlement, including how the Settlement Fund is to be allocated and how the Settlement may affect you, and (2) to advise you of your rights and options with respect to the Settlement.

WHO IS ELIGIBLE TO RECEIVE MONEY FROM THIS SETTLEMENT?

3. This Settlement is for all current and former employees of La Quinta at its California locations, who were employed at any time between June 21, 2012 and July 23, 2015 ("Class Members").

More specifically, the Settlement covers two classes as follows:

The "Non-Exempt Class" consists of any and all *Hourly Employees* (i.e., hourly employees, classified as non-exempt) employed by La Quinta in California at any time during the Class Period of June 21, 2012 through July 23, 2015.

The "Pay Stub Class" consists of any and all *Hourly Employees and Non-Hourly Employees (i.e., employees who are not hourly and classified as exempt)* employed by La Quinta in California at any time during the Class Period of January 28, 2013 and July 23, 2015.

WHY YOU SHOULD READ THIS NOTICE

4. You should read this Notice because you are entitled to money under this Settlement, and this Settlement affects your rights.

WHAT IS A CLASS ACTION?

5. A class action is a lawsuit in which the claims and rights of many people are decided in a single court proceeding. One or more representative plaintiffs, also known as "class representatives," assert claims on behalf of the entire class. This avoids the necessity for a large number of individual lawsuits and enables the court to resolve similar claims efficiently. In a class action, the court supervises the prosecution of class claims by class counsel to ensure fairness.

SUMMARY OF THE CLAIMS, ALLEGATIONS, DEFENSES AND RISKS, AND THE REASONABLENESS OF SETTLEMENT

6. The plaintiff (a former employee of La Quinta) filed this Lawsuit against La Quinta alleging various wage and hour claims on behalf of two classes comprised of California employees. Plaintiff's Lawsuit is styled as both a potential class action case as well as an enforcement action for civil penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA").

Specifically, plaintiff claims on behalf of the Non-Exempt Class that La Quinta failed, during the time period of June 21, 2012 through July 23, 2015 to: (1) provide meal and rest breaks to California non-exempt employees; and (2) pay break premium wages at the correct rate of pay to California non-exempt employees.

On behalf of the Pay Stub Class, plaintiff also claims that La Quinta failed to provide accurate itemized wage statements in that: (1) for Hourly Employees and Non-Hourly Employees, the pay period begin date was not included on pay statements issued between January 28, 2013 and February 21, 2014, and after February 21, 2014, adjustments to wages did not identify all information regarding the adjustment, such as the pay periods, rates of pay, and hours worked associated with the adjustment; and (2) for Hourly Employees' wage statements issued between January 28, 2013 and February 21, 2014, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate were not identified, and total hours worked were not separately identified from non-work hours such as sick and vacation hours.

Plaintiff filed a lawsuit to recover not only monetary relief, but also to change La Quinta's paycheck issuance practices. The Company vigorously denies the allegations in the lawsuit. Among La Quinta's defenses are:

- (i) the form and content of La Quinta's wage statements issued prior to February 22, 2014 did not violate Labor Code §226(a) and the "Records" section of the IWC Wage Order and any inaccuracies were not done knowingly and intentionally;
- (ii) the form and content of La Quinta's wage statements issued after February 21, 2014 have been modified in compliance with the law and do not violate Labor Code §226(a) and the "Records" section of the IWC Wage Order, but even if these wage statements were not in full compliance with the law because they do not identify certain information for adjustments (such as "hours worked" for "Bonus OT adjustments," and "rate of pay" and "hours worked" for overtime adjustments made for "Here for You" incentive payments), these adjustments occurred so infrequently (e.g., quarterly) that there would be minimal wage statements at issue;
- (iii) any omission of information from the wage statements resulted in no injury and therefore no recovery under California Labor Code §226;
- (iv) incentive pay and other forms of non-base pay are not required to be paid as part of meal and rest break premium payments under Labor Code §226.7 and if it were required, the amount of damages was *de minimis*;

- (v) it has authorized and permitted rest breaks to non-exempt employees;
- (vi) it provided meal periods in compliance with the Labor Code and IWC Wage Order to all non-exempt employees, the on-duty meal periods provided to FDSRs and Night Auditors were permitted due the nature of the work these employees performed and their written consent to take their meal periods on-duty, and it has already compensated its non-exempt employees for any possible meal period violations by paying them an additional hour of pay on those occasions where a meal period was not taken;
- (vii) penalties should be limited to the lower, initial violations penalties because no citation had been issued against La Quinta;
- (viii) La Quinta is not subject to civil penalties under PAGA or that any such penalties should be significantly reduced due to lack of injury; and
- (ix) any omission of information on wage statements for exempt employees was substantially less than that for non-exempt employees as a result of minimal amount of information required to be included on exempt employees' wage statements.

Additionally, La Quinta strongly contested the propriety of class treatment of the putative class claims at issue, especially the meal and rest break claims, and the injury component for the wage statement claims. La Quinta furthermore challenged plaintiff's position that the enforcement action claims under the PAGA for civil penalties are not subject to Rule 23 certification and/or manageability standards. Despite the parties' differences in the strengths and weakness of the case, the parties, with the assistance employment mediator Mark Rudy, negotiated a \$900,000 settlement at arm's-length.

Plaintiff and Class Counsel support this Settlement. Plaintiff and Class Counsel extensively evaluated each of these purported defenses and associated risks of continuing the litigation as opposed to entering into the proposed Settlement. Therefore, among the reasons for their support are the defenses to liability potentially available to La Ouinta, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with the litigation. In assessing the reasonableness of the Settlement, Class Counsel balanced the inherent risks of further litigation, such as those identified here, with the benefits of providing substantial and immediate benefits to Class Members through a settlement. Plaintiff and Class Counsel also took into consideration that after plaintiff filed the lawsuit, La Quinta changed the form and content of the paychecks issued to California employees such that after February 16, 2014, La Quinta's paychecks identify: (1) the pay period begin date in addition to the pay period end date; (2) applicable hourly rates in effect and corresponding number of hours worked for non-adjusted wages; and (3) the total hours worked in that pay period for hours not works (e.g., vacation and sick hours) are not included within the total hours summary on the paychecks. In assessing the risks and benefits of further litigation, Class Counsel and Plaintiff determined that the potential benefits of further litigation (such as a determination of liability on the merits) do not outweigh the risks of further litigation (such as risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation). Class Counsel and Plaintiff therefore believe the Settlement to be fair, adequate, and reasonable. and in the best interest of Class Members.

7. On July 23, 2015 the Court gave preliminary approval to the Settlement of the action. The Court has made no opinion on the merits of the Lawsuit and has only given preliminary approval to the Settlement of the Lawsuit. La Quinta does not admit to any of the claims alleged in the Lawsuit and denies that it owes money for the alleged violations of the California Labor Code. La Quinta is settling the Lawsuit as a compromise in order to avoid the risks and costs of continued litigation. La Quinta reserves the right to object to any claim by Class Members if for any reason this Settlement fails.

WHO REPRESENTS THE PARTIES?

The following attorneys represent the parties in the Lawsuit: 8.

Attorneys for the Non-Exempt Class and the Pay Stub Class

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Attorneys for the Defendant (La Quinta):

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WHAT TO DO IF YOU WANT TO RECEIVE MONEY UNDER THE SETTLEMENT

- 9. If you want to receive a settlement payment as part of the Settlement, you do not need to do anything to become a "Participating Claimant." Class Counsel negotiated a process by which Class Members do not need to complete a claim form to receive settlement monies. Therefore, a check for your portion of the Settlement will be mailed to you following final approval of the Settlement by the Court as long as you are an "Eligible Participating Class Member," meaning that the Claims Administrator has not received your Notice returned as undeliverable by the 28th day before the Final Approval Hearing. Note that if you are a Class Member and you choose to receive money from the Settlement, you will be bound by all of the provisions of the Settlement Agreement, including a release of claims that will prevent you from separately suing La Quinta for certain limited claims arising through July 23, 2015 - see the "Effect of the Settlement - Release of Claims" section below.
- If the name or address information provided on the Settlement Allocation Form is incorrect, please make 10. corrections and submit it to the Claims Administrator. (For example, if your address is incorrect, please provide the correct information.) If you wish to have confirmation that your corrected or missing information has been received by the Claims Administrator, you may do so by calling the Claims Administrator.

Phoenix Settlement Administrators PO Box 27907 Santa Ana, Ca. 92799 Telephone (888)-613-5553 Fax (949) 209-2503

Website: www.phoenixclassaction.com/peraltavlqmanagement

Email: classmember@phoenixclassaction.com

WHAT HAPPENS IF YOU DO NOTHING IN RESPONSE TO THIS NOTICE?

11. Because this Settlement does not require you to submit a claim form to make a claim for your share of the Settlement, if you do nothing in response to this Notice, you will be (i) eligible to receive a settlement payment and (ii) bound by the terms of the Settlement, including the release, described below in the section titled "Effect of the Settlement – Release of Claims." Therefore, you will not have the right to separately pursue any claims you may have against La Quinta which are encompassed by this Settlement, and will be forever barred from doing so. Read the section titled "Effect of the Settlement – Release of Claims" for a complete description of the claims encompassed by this Settlement.

WHAT SHOULD YOU DO IF YOU WANT TO EXCLUDE YOURSELF FROM THIS SETTLEMENT?

- 12. You do not need to participate in this Settlement. Should you wish to "opt-out" of the Settlement and not participate in it, you: (i) will not be eligible to receive a payment under the settlement, but (ii) will retain your right to pursue claims described in the section titled "Effect of the Settlement Release of Claims." *You may opt-out of the Settlement by submitting a written and signed Request for Exclusion to the Claims* Administrator at the address listed in Paragraph 10 above, on or before September 24, 2015. Such written Request for Exclusion must contain your name, address, dates of employment with La Quinta, the last four digits of your social security number, and a statement that you request to be excluded from the Settlement and the benefits of the Settlement in the matter of *Peralta v. LQ Management LLC*, Case No. 3:14-cv-01027-MDS-JLB in United States District Court for the Southern District of California. Your Request for Exclusion must be signed and must be postmarked or faxed on or before September 24, 2015.
- 13. If you chose to opt-out, you will not receive any money from the Settlement, and you will not have any right to object to the Settlement. Unless otherwise ordered by the Court, any request for exclusion submitted after September 24, 2015 will be disregarded, and if you submit a late request for exclusion, you will not be able to pursue any claims separately from the Lawsuit.

WHAT IF YOU DO NOT AGREE WITH THE SETTLEMENT?

- 14. If you wish to object to the Settlement, Class Counsel's motion for attorneys' fees and costs, or to the Class Representative's request for an Enhancement Service Award, you must file a written objection with the Clerk of the United States District Court for the Southern District of California. You can't ask the Court to order a larger settlement; the Court can only approve or deny the Settlement. If the Court denies approval, no settlement payments will be sent out and the Lawsuit will continue. If that is what you want to happen, you must object.
- 15. If you wish to object, you should do so in writing. You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. All written objections and supporting papers must: (a) clearly identify the case name and number (*Sergio Peralta, et al. v. LQ Management L.L.C, et al.*, United States District Court for the Southern District of California Case No. 3:14-cv-01027-DMS-JLB); (b) include your name, address, dates of employment with La Quinta, and last four digits of your social security number; (c) be submitted to Clerk of the United States District Court for the Southern District of California (address listed in Paragraph 18 below) on or before September 24, 2015 (filing instructions are available at https://www.casd.uscourts.gov/Attorneys/FilingProcedures/SitePages/Home.aspx); and (d) be served on the Claims Administrator (contact information in paragraph 10 above), Class Counsel and attorneys for Defendant (contact information in paragraph 8 above). Your objection should clearly explain why you object, state each specific reason in support of your objection and any legal support for each objection, and must also state whether you (or someone on your behalf) intend to appear at the Final Approval Hearing. **DO NOT TELEPHONE THE COURT.**

- 16. To appear at the Final Approval Hearing in Court, you should first file and serve a written objection to the Settlement, as described in paragraph 15, above. If you wish to appear at the Final Approval Hearing, you should indicate in your written objection that you wish to speak at the Final Approval Hearing. You may appear at the Final Approval Hearing in *propia persona* (meaning you choose to represent yourself) or through your own attorney. To do so, you or your attorney should file a Notice of Appearance with the Clerk of the Court, at the court address listed in paragraph 18, below, and deliver copies to each of the attorneys listed above in paragraph 8, no later than October 7, 2015.
- 17. If you object to the Settlement, you will remain a member of the Class and, if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way and to the same extent as a Class Member who does not object. Any member of the Class who does not make and serve his or her written objections in the manner provided above will be deemed to have waived such objections and be foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement. Any Class Member who does not object to the proposed Settlement need not appear at the Final Approval Hearing.

SUMMARY OF THE SETTLEMENT AGREEMENT

- 18. This Notice summarizes the proposed Settlement. To view the precise terms and conditions of the Settlement, the Renewed Motion for Preliminary Approval, and the Motion for Final Approval of the Class Action Settlement, Motion for Attorney's Fees and Costs, and other relevant documents you may go to www.phoenixclassaction.com/peraltavlqmanagement; contact Class Counsel (see paragraph 8, above for Class Counsel's contact information); and/or access the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at https://ecf.casd.uscourts.gov, or by visiting the office of the Clerk of the Court for the United States District Court for the Southern District of California, 333 West Broadway, Suite 420, San Diego, CA 92101, between 8:30 a.m. and 4:30 p.m., Monday through Friday, excluding Court holidays. PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.
- 19. Settlement Fund: La Quinta and the Plaintiff have agreed that, in order to resolve this action, La Quinta will pay Nine Hundred Thousand Dollars (\$900,000) (hereinafter the "Class Settlement Amount"), in exchange for the release of claims described in the section titled "Effect of the Settlement - Release of Claims". The Class Settlement Amount will be used to pay the claims of members of the Eligible Participating Class Members who do not choose to exclude themselves from the Settlement. The Class Settlement Amount also provides for: (i) a payment to the Plaintiff as the Class Representative in an amount not to exceed \$5,000 to be determined by the Court for his services to the Classes as a named plaintiff in the Lawsuit; (ii) a payment of administrative costs to administer the Settlement, which is expected not to exceed \$16,500; (iii) a payment of \$12,000 to the California Labor Workforce and Development Agency for civil penalties; and (iv) payment of Class Counsel's attorney's fees and costs from the Settlement Fund, up to a maximum amount of \$270,000.00 in attorneys' fees and \$17,000 in costs. All of the \$900,000 Class Settlement Amount will be distributed and none of it will revert back to La Quinta. In addition to the \$900,000 Class Settlement Amount, the Settlement obligates La Quinta to pay any employer payroll taxes owing on the portion of individual payments that is allocated to wages. Individual payments to Eligible Participating Class Members shall be paid from the Net Settlement Amount based on a formula that will provide a lump sum payment, less applicable withholdings and/or deductions required by law, based on the number of paychecks issued to that Class Member between June 21, 2012 and July 23, 2015, as explained in paragraph 20, below.
- 20. <u>Payment Formula</u>: After the Enhancement Service Award, Class Administration Costs, Payment to the California Labor Workforce and Development Agency, and Class Counsel's Attorney's Fees and Costs are deducted from the Class Settlement Amount, the payments to each Class Member will be determined as follows:
 - Each Participating Class Member for whom a Reasonable Address Verification Measure and/or additional skip tracing as described in the Settlement Agreement does not yield a non-deliverable returned Notice Packet to the

Claims Administrator by twenty-eight (28) calendar days before the Final Approval Hearing (an "Eligible Participating Class Member"), shall receive an Individual Class Member Payment, less tax withholdings required by statute. Note that the method of allocating settlement monies noted below assigns a weight to each of the claims in accordance with the parties' views of the potential damages. See paragraph 6 for further discussion. The \$25 flat sum amount noted in No. 1 below is due to the parties' view that the potential damages would be limited based on the limited occurrences of potentially affected wage statements during the specified time period. The point system utilized in No. 2 below is based on the parties' views of respective potential damages for each of the noted claims: (i) 0.25 points are given for the Non-Exempt claims (meal and rest break claims) because of the view of limited potential damages for these claims; (ii) 1.50 points for the Hourly Pay Stub Class claims are given because the potential damages are greater due to the allegations of multiple defects in the wage statements; and (iii) 0.5 points for the Non-Hourly Pay Stub Class claims are given because of the potential damages for fewer alleged defects in the wage statements.

- 1. Each Eligible Participating Class Member will receive \$25 if said Eligible Participating Class Member was issued a pay check for any Compensable Pay Period after February 21, 2014 through July 23, 2015.
- 2. In addition to the above described flat \$25 payment, each Eligible Participating Class Member will receive a pro-rata share of the remaining Net Settlement Amount based on points assigned as follows:
 - a. For each member of the Non-Exempt Class:
 - 0.25 points for each Compensable Pay Period between June 21, 2012 through July 23, 2015
 - b. For each member of the Pay Stub Class who is an Hourly Employee:
 - i. 1.5 points for each Compensable Pay Period between January 28, 2013 and February 21, 2014
 - c. For each member of the Pay Stub Class who is a Non-Hourly Employee
 - i. 0.5 points for each Compensable Pay Period between January 28, 2013 and February 21, 2014

An Eligible Participating Class Member's pro-rata share shall be calculated by: (a) adding all the points assigned to the Eligible Participating Class Member according to the formula above, and (b) dividing the result by the total points assigned to all Eligible Participating Class Members

The "Compensable Pay Periods" of an Eligible Participating Class Member shall be the actual number of paychecks issued to a Participating Class Member, as determined from Defendant's payroll records maintained in the normal course of business. For the purpose of calculating applicable taxes, the Parties agree that ten percent (10%) of the amount paid to each member of the Non-Exempt Class constitutes wages, and that ninety percent (90%) constitutes penalties, and (ii) 100% of the amount paid to each member of the Pay Stub Class constitutes penalties.

21. <u>Attorney's Fees for Class Counsel</u>: Class Counsel will be paid from the \$900,000 Class Settlement Amount. The attorneys for the Class will ask for fees of no more than \$270,000 and reimbursement of costs of litigation of no more than \$17,000. The actual amount awarded will be determined by the Court to ensure that the amount of attorney's fees and costs is reasonable. Subject to Court approval and the conditions specified in the Settlement Agreement, and in exchange for the release described in the next paragraph, La Quinta shall pay the sum of \$270,000.00 as attorney's fees and \$17,000 as costs from the Class Settlement Amount to Class Counsel, for their services in the prosecution and settlement of the Lawsuit including securing the benefits for Class Members under this Settlement. This means that Class Members will not have to pay anything to Class Counsel.

EFFECT OF THE SETTLEMENT-RELEASE OF CLAIMS

22. Release of Claims:

Upon the Effective Date, each Hourly Employee who does not submit a valid Request For Exclusion by September 24, 2015, will be deemed to release any and all claims, known or unknown, brought or that could have been brought arising at any time between June 21, 2012 through July 23, 2015, out of, or relating in any way to, the same nucleus of operative facts as the claims in the Lawsuit for: (1) failure to authorize and permit rest periods, (2) failure to provide meal periods, (3) failure to provide and maintain compliant itemized wage statements, (4) violation of Labor Code section 226.7(A) (arising at any time between January 28, 2013 and July 23, 2015), (5) violation of Labor Code section 512, (6) violation of Labor Code section 1198, and (7) violation of Labor Code section 226(A) ("Hourly Released Claims"). At a minimum, the Hourly Released Claims include, to the maximum extent permitted by law: (a) any claims and causes of action, whether known or unknown, that were or could have been alleged or asserted based on the same nucleus of operative facts and allegations alleged in the Lawsuit; (b) any claims that were or could have been brought under California Labor Code Sections 218.5, 226 (arising at any time between January 28, 2013 and July 23, 2015), 226.7, 512, 558, 1194, 1194.2, 1197, 1198, 2699 et seq., the applicable Industrial Welfare Commission Wage Orders, the Fair Labor Standards Act, and all related or corresponding federal laws, and all implementing regulations and interpreting guidance arising from the same nucleus of operative facts the claims alleged in the Lawsuit; (c) any claims that were or could have been brought under California Business and Professions Code Section 17200 et seq. as unlawful, fraudulent or misleading based on the claims, facts and allegations alleged in the Lawsuit (including, but not limited to, claims of conduct unlawful under state or federal law) arising from the same nucleus of operative facts alleged in the Lawsuit; (d) any other causes of action that are based on or relate to meal or rest period violations, improper wage statements, or unfair business practices, including related premiums, penalties, interest, punitive damages, costs, attorney's fees, injunctive relief, declaratory relief, or accounting, whether such causes of action are in tort, contract, or pursuant to a statutory remedy, which arise from the same nucleus of operative facts as the claims alleged in the Lawsuit.

Upon the Effective Date, each Non-Hourly Employee who does not submit a valid Request For Exclusion by September 24, 2015, will be deemed to release any and all claims, known or unknown, brought or that could have been asserted arising at any time between January 28, 2013 through July 23, 2015, out of, or relating in any way to, the same nucleus of operative facts as the claims in the Lawsuit for failure to provide and maintain compliant itemized wage statements ("Non-Hourly Released Claims"). At a minimum, the Non-Hourly Released Claims include, to the maximum extent permitted by law: (a) any claims and causes of action, whether known or unknown, that were or could have been alleged or asserted arising from the same nucleus of operative facts as the claim in the Lawsuit for failure to provide and maintain compliant itemized wage statements; (b) any claims that were or could have been brought under California Labor Code Sections 226, 1198, 2699 et seq., the applicable Industrial Welfare Commission Wage Orders, the Fair Labor Standards Act, and all related or corresponding federal laws, and all implementing regulations and interpreting guidance arising from the same nucleus of operative facts as the claim in the Lawsuit for failure to provide and maintain compliant itemized wage statements; (c) any claims that were or could have been brought under California Business and Professions Code Section 17200 et seq. as unlawful, fraudulent or misleading based on the claims, facts and allegations alleged in the Lawsuit (including, but not limited to, claims of conduct unlawful under state and federal law) arising from the same nucleus of operative facts as the claim in the Lawsuit for failure to provide and maintain compliant itemized wage statements; (d) any other causes of action that arise out of the same nucleus of operative facts as the claim in the Lawsuit for failure to provide and maintain compliant itemized wage statements including related premiums, penalties, interest, punitive damages, costs, attorney's fees, injunctive relief, declaratory relief, or accounting, whether such causes of action are in tort, contract, or pursuant to a statutory remedy.

This is a general release of claims known and unknown including a Civil Code 1542 release with respect to all claims described above in this paragraph. This release applies to claims against La Quinta, against its parent or subsidiary corporations, against its legally-affiliated companies and corporations, and against each of their, officers, directors, employees, attorneys, insurers, successors, predecessors, and agents.

23. <u>Conditions of the Settlement</u>: This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing approving the Settlement as fair, reasonable, adequate and in the best interests of the Classes.

FINAL SETTLEMENT APPROVAL HEARING

Every class action settlement must be approved by the court. Thus far, the Court has only decided that the proposed Settlement may be fair and, therefore, justifies distribution of this Notice. In order to decide whether to give final approval to the proposed Settlement, the Court will consider related papers and comments submitted by the parties or others and hold a hearing in open court. The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement Agreement is currently scheduled to take place on November 6, 2015, at 1:30 p.m. in Courtroom 13A of the United States Courthouse, 333 West Broadway, San Diego, CA 92101. The date and/or time of the Final Approval Hearing may change without further notice to the class. Any changes to the date and/or time of the Final Approval Hearing will be posted on the settlement website (www.phoenixclassaction.com/peraltavlqmanagement) and on the PACER site of the United States District Court for the Southern District of California (https://ecf.casd.uscourts.gov).

WHAT TO DO IF YOU NEED ADDITIONAL INFORMATION

25. This notice only summarizes this Lawsuit, the Settlement, and related matters. For more information about the Settlement or if you have any questions regarding the Settlement, you may contact Class Counsel or the Claims Administrator at the following address and telephone number:

Claims Administrator:

Phoenix Settlement Administrators PO Box 27907 Santa Ana, Ca. 92799 Telephone (888)-613-5553 Fax (949) 209-2503

Website: www.phoenixclassaction.com/peraltavlqmanagement
Email: classmember@phoenixclassaction.com

Class Counsel:

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e-mail: drichard@robbinsarroyo.com

Do not contact the Clerk of the Court about this matter.

NO RETALIATION OR DISCRIMINATION

26. La Quinta will not fire, punish, retaliate or otherwise discriminate against any employee because he or she chooses to participate in this Settlement, chooses not to participate, or objects to the Settlement.