

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

STEVEN VEGA and JAVIER
MORRONE, individuals on behalf of
themselves and others similarly situated,

Plaintiffs,

v.

LANGHAM HOTELS PACIFIC
CORPORATION, a Delaware corporation;
and DOES 1 to 10 inclusive,

Defendants.

CASE NO. BC572323

(Assigned to Hon. Lisa Hart Cole, Dept. 307)

**NOTICE OF PENDENCY OF CLASS
ACTION, PROPOSED SETTLEMENT AND
FINAL HEARING**

*A California Court authorized this notice. This is **not** a solicitation from a lawyer.*

Dear Mr./Ms. <<First Last>>:

You have been identified as a member of a class in the above-captioned class action lawsuit. The parties to the lawsuit have reached a proposed settlement that is subject to further Court approval. Pursuant to the terms of the proposed settlement, it is estimated that your payment would be <<Est. Amt>> prior to tax withholdings. This notice explains the nature of the lawsuit, as well as the proposed settlement of the lawsuit, and informs you of your legal rights and options.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing	You will receive a payment under the settlement and will release your rights to sue Langham Hotels Pacific Corporation for the covered claims
Exclude Yourself	Receive no payment under the settlement and retain all rights you may have against Langham Hotels Pacific Corporation
Object	Write to the Court about why you don't like the settlement
Go to a Hearing	Ask to speak in Court about the fairness of the settlement

PLEASE READ THIS NOTICE CAREFULLY. IT EXPLAINS YOUR LEGAL RIGHTS AND OPTIONS AND THE DEADLINES TO EXERCISE THEM.

WHY DID I RECEIVE THIS NOTICE?

You are receiving this notice because you may be a member of a class on whose behalf this class action lawsuit has been brought. The Court has conditionally certified a class for settlement purposes comprised of all non-exempt hourly employees of Langham Hotels Pacific Corporation employed in California at any time from February 13, 2011 through August 31, 2016 who were distributed any non-discretionary charge to customers as part of their pay. You have been identified as falling within the definition of the class.

WHAT IS THIS LAWSUIT ABOUT?

On February 13, 2015, Steven Vega and Javier Morrone (together “Plaintiffs”) filed a class action lawsuit in the Superior Court for the County of Los Angeles against Langham Hotels Pacific Corporation (“Langham”). Plaintiffs contend that Langham violated California law by not including the amount of non-discretionary charges, such as banquet service charges, in class members’ regular rate of pay. Plaintiffs contend that this resulted in class members being underpaid overtime wages and premium wages for missed meal breaks. Plaintiffs further contend that Langham violated California law by requiring class members to pool their tips and gratuities with supervisory employees and by providing inaccurate paystubs. Plaintiffs seek to recover the amount of class members’ alleged underpaid overtime wages and premium wages and the amount of tips and gratuities allegedly shared with supervisory employees. Plaintiffs also seek derivative statutory and civil penalties arising out of these alleged wrongs.

Langham denies the allegations made in the class action lawsuit. Specifically, Langham maintains that it properly paid all overtime and premium wages owing to class members in accordance with California law, did not require class members to share their tips and gratuities with supervisory employees, and that it is not liable for any derivative statutory or civil penalties. In addition, Langham denies that the lawsuit could or should be maintained as a class action.

HOW HAS THE COURT RULED?

The Court has not ruled on the merits of Plaintiffs’ claims, Langham’s defenses, or the substantive contentions of the parties. Nor has the Court ruled on whether this lawsuit could or should be maintained as a class action. No inferences regarding the merits of the litigation should be drawn from the sending of this notice. This notice is not meant to imply that there has been any violation of law or wrongdoing by any party or that a recovery after trial could be had if the lawsuit is not settled.

WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiffs or Langham. Plaintiffs think they would have prevailed on their claims at a trial. Langham does not think Plaintiffs would have won anything from a trial because they have asserted legal and factual defenses to the claims. But there was no trial. Instead, both sides agreed to a settlement. That way, they avoid the costs, risks and uncertainty of a trial, and the people affected will get compensation.

WHAT DOES THE SETTLEMENT PROVIDE?

Langham will pay to each participating class member a pro rata share of the “Net Settlement Amount” based on the number of overtime hours that the participating class member worked during the class period. The amount to be distributed to the participating class members, or the “Net Settlement Amount,” is determined by subtracting the amounts awarded for Plaintiffs’ attorneys’ fees, Plaintiffs’ expenses, class representatives enhancement, settlement administration costs, and the amount paid to the California Labor & Workforce Development Agency from the total consideration of six hundred fifty thousand dollars (\$650,000). It is estimated that the Net Settlement Amount available for distribution to the participating class members will be approximately three hundred sixty seven thousand eight hundred thirty three dollars and 34 cents (\$367,833.34). Each participating class member’s pro rata share of the settlement will be determined by dividing the Net Settlement Amount by the total overtime hours during the class period, and multiplying that amount by the number of overtime hours that the participating class member worked during the class period.

All settlement payments will be allocated as follows: thirty-three and one third percent (33.3%) toward wages, to be reported on a W-2 and subject to applicable tax withholdings; thirty-three and one third percent (33.3%) toward interest, and thirty-three and one third percent (33.3%) toward penalties, such that 66.6% shall be characterized as taxable income to be reported on a Form 1099. No taxes will be withheld or paid by Langham with respect to the portion of the settlement payments allocated to interest and penalties. Each participating class member will be responsible for his or her share of taxes due on that portion of his or her settlement payment.

WHAT WILL I GET?

Langham’s records indicate that, between February 13, 2011 and August 31, 2016, you worked <<Total Hours>> overtime hours in a job position included within the class definition. Based on this number of overtime hours worked, it is estimated that your total settlement payment will be approximately <<EstAmt>> prior to tax withholdings. If you dispute the estimated number of overtime hours, you must notify the Settlement Administrator in writing of this dispute by November 30, 2016, and provide documents (*e.g.*, time records and payroll records) evidencing your claim. The Settlement Administrator’s determination is final and binding.

WHEN WILL I GET PAID?

This settlement will only become effective if and when the Court finally approves the settlement as fair, reasonable, and adequate, and any appeals of that order and judgment, if any, are affirmed. If and when the settlement becomes effective, the settlement payments will commence and will be distributed to each settlement class member in a lump sum payment within thirty (30) days after the settlement becomes effective.

WHAT IS THE PAYMENT TO THE CLASS REPRESENTATIVES?

Subject to Court approval, Plaintiffs Steven Vega and Javier Morrone will be paid a class representatives enhancement in an amount up to Six Thousand Five Hundred Dollars (\$6,500) each for their service as class representatives, as well as their willingness to accept the risk of paying Langham's attorneys' fees and costs in the event of an unsuccessful outcome.

HOW WILL PLAINTIFFS' ATTORNEYS BE PAID?

Plaintiffs' attorneys, Hayes Pawlenko LLP, will apply to the Court for an award of reasonable attorneys' fees in an amount up to one-third (1/3) of the gross settlement amount recovered for the class (*i.e.* two hundred sixteen thousand six hundred sixty six dollars and 66 cents (\$216,666.66)) and reimbursement of Plaintiffs' expenses in an amount up to twenty-five thousand dollars (\$25,000).

HOW WILL THE SETTLEMENT ADMINISTRATOR BE PAID?

Subject to Court approval, the Settlement Administrator will be paid for the fees and costs of administering the settlement in an amount up to twenty-five thousand dollars (\$25,000).

HOW WILL THE CIVIL PENALTIES BE PAID?

Subject to Court approval, three thousand three hundred thirty three dollars and thirty three cents (\$3,333.33) will be allocated to settlement of Plaintiffs' claim for civil penalties pursuant to the Labor Code Private Attorneys General Act. Seventy five percent (75%) of that amount, *i.e.*, two thousand five hundred dollars (\$2,500.00), will be paid to the California Labor & Workforce Development Agency. The remaining twenty five percent (25%) will be included in the Net Settlement Amount distributed to participating settlement class members.

WHAT AM I GIVING UP TO GET A PAYMENT?

If you decide to receive a settlement payment, you will release Langham from all causes of action stated against Langham in the lawsuit and all causes of action that could have been stated against Langham based on the same facts alleged in the lawsuit from February 13, 2011 through August 31, 2016. The causes of action stated against Langham in the lawsuit are: (1) failure to pay overtime in violation of Labor Code section 510; (2) failure to premium wages for missed meal and rest periods in violation of Labor Code section 226.7; (3) failure to furnish accurate itemized wage statements in violation of Labor Code section 226; (4) unfair business practices in violation of Business & Professions Code section 17200 *et seq.*; (5) waiting time penalties pursuant to Labor Code section 203; and (6) civil penalties pursuant to the Labor Code Private Attorneys General Act, Labor Code section 2698 *et seq.*

The facts alleged in the lawsuit are that Langham underpaid overtime wages and premium wages by failing to include non-discretionary customer charges distributed to class members as part of their pay, such as banquet service charges, in their regular rate of pay. The lawsuit also alleges that Langham required certain employees to pool their tips and gratuities with supervisory employees. Finally, the lawsuit alleges that the paystubs furnished by Langham did not show the correct overtime, double time, and “penalty pay” rates, and listed an incorrect address of the legal entity that is the employer.

WHEN AND WHERE IS THE FINAL SETTLEMENT HEARING?

The Court will conduct a final settlement hearing regarding the proposed settlement on February 23, 2017, at 10:00 a.m. in Department 307 of the Los Angeles County Superior Court, Central Civil West Courthouse, 600 South Commonwealth Ave., Los Angeles, California 90005. At that hearing, the Court will determine: (i) whether a class should be finally certified solely and exclusively for settlement purposes; (ii) whether the settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the settlement class members, and if so, whether to enter a judgment fully and finally resolving the claims against Langham alleged in the lawsuit; (iii) whether the settlement class members should be bound by the terms of the settlement, including the release of claims; (iv) the amount of the attorneys’ fees and expenses to be awarded to Plaintiffs’ attorneys; and (v) the amount that should be awarded to Plaintiffs for the class representatives enhancement.

At the final settlement hearing, the Court will hear all timely and properly made objections, as well as arguments for and against the proposed settlement. Assuming you do not elect to exclude yourself from the settlement, you have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself. Please be advised that the Court may adjourn and/or continue the final settlement hearing without further notice of any kind.

If the settlement is finally approved by the Court, a copy of the Court’s final judgment will be posted on the Settlement Administrator’s website at www.phoenixclassaction.com/vegavlanghamhotels.

WHAT ARE MY OPTIONS?

OPTION NO. 1 – RECEIVE YOUR SHARE OF THE SETTLEMENT

If you wish to remain a settlement class member and receive your share of the settlement, you do not need to do anything other than make sure that the Settlement Administrator has your correct mailing address. If the Court approves the proposed settlement, you automatically will be mailed your share of the settlement proceeds. If the Court does not approve the settlement, the lawsuit will continue, and you may or may not be designated a class member at a later time.

OPTION NO. 2 – OBJECT TO THE SETTLEMENT

If you wish to object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the final settlement hearing, you must put your objection in writing. Your written objection must contain the name of the case and the case number (which are shown at the top of this Notice), your name and address, and your reason or reasons for objection. To object, you must mail the written objection to Phoenix Settlement Administrators, P.O. Box 7208, Orange CA 92863.

To be valid and effective, all objections to approval of the settlement must be postmarked to the Settlement Administrator no later than November 30, 2016. **DO NOT CONTACT THE COURT.** Any class member who fails to object to the proposed settlement as described above will lose the right to object to it.

OPTION NO. 3 – EXCLUDE YOURSELF FROM THE CLASS

You have a right to exclude yourself (“opt out”) from the class, but if you choose to do so, you will not receive any benefits from the proposed settlement and you will not have standing to object to the settlement. If you choose to opt out, you will not be bound by a judgment in this case and you will not release your claims against Langham.

If you want to exclude yourself from the class, you must prepare and mail a written request for exclusion to Phoenix Settlement Administrators, P.O. Box 7208, Orange CA 92863. To be valid, the written request for exclusion must: (1) state your name, social security number, address and telephone number; (2) state that you wish to be excluded from, or “opt out” of, the class, (3) be dated, (4) be signed by you, and (5) be postmarked on or before November 30, 2016. Any class member who fails to request exclusion as described above will lose the right to opt out of the class.

HOW CAN I LEARN MORE DETAILS ABOUT THE CASE AND/OR SETTLEMENT?

If you wish to learn more information about the lawsuit and/or the proposed settlement, you may review the pleadings, the orders entered by the Court, and other papers filed in this litigation, at the Los Angeles County Superior Court, Central Civil West Courthouse, 600 South Commonwealth Ave., Los Angeles, California 90005, during its regular business hours each business day. In addition, you may contact Plaintiffs' attorneys, Hayes Pawlenko LLP, at (626) 808-4357.

All inquiries regarding this Notice and/or the settlement should be directed to the Settlement Administrator or Plaintiffs' attorneys. **PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES.**