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17
18 **UNITED STATES DISTRICT COURT**
19 **SOUTHERN DISTRICT OF CALIFORNIA**

20 SERGIO PERALTA, Individually and
on Behalf of Other Members of the
21 Public Similarly Situated,

22 Plaintiff,

23 vs.

24 LQ MANAGEMENT L.L.C. d/b/a
HVM/LQ MANAGEMENT L.L.C.,
25 HVM/LQ MANAGEMENT L.L.C.,
26 and DOES 1-10, Inclusive,

27 Defendants.
28

Case No. 3:14-cv-01027-DMS-JLB

**STIPULATION FOR CLASS ACTION
SETTLEMENT**

Complaint Filed: February 27, 2014
Removal Date: April 24, 2014
Trial Date: None
District Judge: Hon. Dana M. Sabraw
Magistrate Judge: Hon Jill L. Burkhardt

1 **CLASS ACTION SETTLEMENT AGREEMENT**

2 This Stipulated Class Action Settlement (“Stipulation”) is entered into as of
3 the last date signed by the Parties hereto and their counsel. It is entered into by and
4 among plaintiff Sergio Peralta (“Plaintiff” or “Class Representative”), on behalf of
5 himself and all other similarly situated employees, as representative of the class,
6 which is stipulated to for purposes of this settlement only, by and through his
7 attorneys, The Dente Law Firm and Robbins Arroyo LLP (collectively “Class
8 Counsel”), and defendant LQ Management LLC dba HVM/LQ Management LLC
9 (also known as “La Quinta”) [hereinafter “La Quinta” or “Defendant”), by and
10 through its attorneys Ogletree, Deakins, Nash, Smoak & Stewart, P.C. The Class
11 Representative and Defendant are collectively referred to herein as “the Parties.”

12 **RECITALS**

13 A. On January 28, 2014, Plaintiff filed a Complaint, initiating a class action
14 lawsuit against Defendant in the San Diego County Superior Court, entitled *Peralta*
15 *v. LQ Management LLC, et al.*, Case No. 37-2014-00000412-CU-OE-CTL.
16 Defendant timely removed the complaint to federal district court on the basis of
17 CAFA jurisdiction, Case No. 3:14-cv-01027-DMS-JLB.

18 B. The Second Amended Complaint, filed on July 24, 2014, which is the
19 operative complaint, alleges causes of action for (1) failure to authorize and permit
20 rest periods, (2) failure to provide meal periods, (3) failure to provide and maintain
21 compliant itemized wage statements, (4) unfair competition, (5) violation of Labor
22 Code section 226.7(A) brought under the Labor Code Private Attorneys General Act
23 of 2004 (“PAGA”), (6) violation of Labor Code section 226.7(A) and 512 brought
24 under PAGA, (7) violation of Labor Code section 1198 brought under PAGA, and
25 (8) violation of Labor Code section 226(A) brought under PAGA (the “Lawsuit”).

26 C. Plaintiff was formerly employed by La Quinta as a Night Auditor /
27 Front Desk Sales Representative. The Second Amended Complaint alleges claims
28 on behalf of two putative classes:

1 “Non-Exempt Class”: “Any and all persons who are or were non-
2 exempt employees of La Quinta in the state of California at any point from June 21,
3 2012, until resolution of this lawsuit.” (Second Amended Complaint ¶ 11.)

4 “Pay Stub Class”: “Any and all person who are or were employees of
5 La Quinta in the state of California within one year prior to the filing of the original
6 Complaint in this action until resolution of this lawsuit.” (Second Amended
7 Complaint ¶ 11.)

8 D. On January 6, 2015, the Parties participated in a full-day mediation
9 with Mark Rudy, Esq., a neutral and well-respected mediator. On that date, the
10 Parties completed a Memorandum of Understanding setting forth the principal terms
11 of their settlement, which are now set forth in complete and final form in this
12 Stipulation. At all times, the Parties’ negotiations were adversarial, non-collusive,
13 and at arm’s length.

14 E. The Parties are sufficiently familiar with the facts of the Lawsuit and the
15 applicable law, so as to warrant settlement at this time. Defendant has provided
16 Class Counsel with information regarding the Alleged Claims including, time
17 records, and payroll records including hours worked and wages paid to the Putative
18 Class Members, the itemized wage statements provided to Plaintiff, company
19 policies and procedures for meal periods and rest breaks, and manager training
20 materials for meal periods and rest breaks. Both Defendant’s Counsel and Class
21 Counsel have analyzed and calculated Defendant’s potential liability, under various
22 assumptions, for the Alleged Claims.

23 F. The Parties are represented by competent counsel, and have had the
24 opportunity to consult with counsel prior to the submission of this Stipulation to the
25 Court.

26 G. Nothing in this Stipulation, nor the fact of the Stipulation itself, shall be
27 construed or deemed an admission of liability, culpability, negligence or wrongdoing
28 of any kind on the part of Defendant with respect to the claims alleged in the

1 Lawsuit.

2 H. Defendant denies all the claims and contentions alleged by the Class
3 Representative in the Lawsuit. Nonetheless, Defendant has concluded that further
4 litigation would be protracted and expensive, and would also divert management and
5 employee time. Defendant has taken into account the uncertainty and risks inherent
6 in litigation, especially in multi-party cases. Defendant has therefore concluded that
7 it is desirable that the Lawsuit be fully and finally settled in the manner and upon the
8 terms and conditions set forth in this Stipulation.

9 I. The Class Representative and Class Counsel believe that the claims
10 asserted in this Lawsuit have merit. Class Counsel, however, recognizes and
11 acknowledges the significant expense and length of continued proceedings necessary
12 to prosecute the litigation against Defendant through trials and through appeals.
13 Class Counsel is also mindful of the inherent problems of proof and possible
14 defenses to the claims asserted and to class certification. Class Counsel is also
15 mindful of the factual circumstances of this particular action throughout the class
16 period. After careful consideration and mediation, the Class Representative and
17 Class Counsel have concluded that it is desirable that this class action lawsuit be
18 fully and finally settled in the manner and upon the terms and conditions set forth in
19 this Stipulation. Both Class Counsel and the Class Representative believe that the
20 settlement set forth in this Stipulation confers substantial benefits upon the
21 Settlement Class and each of the Class Members.

22 J. Both Parties recognize the inherent risk in proceeding with wage and
23 hour class action litigation based on the instability in California wage and hour law.
24 Both Parties agree that the settlement set forth herein adequately balances the risk of
25 proceeding with the Lawsuit against any potential recovery for the Class Members,
26 and therefore the settlement represents a reasonable, adequate, fair, and just
27 compromise of the claims asserted in the Lawsuit.

28 K. Pursuant to California Evidence Code sections 1152 and 1154, this

1 Stipulation and any related documents filed or created in connection with it shall be
2 inadmissible in evidence in any proceeding, except as necessary to approve, interpret
3 or enforce this Stipulation, or as may specifically be permitted in Section 12.8 below.

4 **TERMS OF AGREEMENT**

5 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and
6 between the Class Representative, for himself and for the Classes (as defined
7 hereafter), and Defendant that, subject to the conditions precedent set forth in
8 Section 2 below, the Lawsuit and the Released Claims shall be finally and fully
9 compromised, released, resolved, relinquished, discharged and settled and without
10 any adverse findings or conclusions against Defendant or anyone else, upon and
11 subject to the terms and conditions of this Stipulation, as follows:

12 **1. DEFINITIONS**

13 As used in this Stipulation, the following terms shall have the meanings
14 specified below:

15 1.1 “Alleged Claims” shall mean the claims that were alleged in the Second
16 Amended Complaint filed on July 24, 2014 as a result of the alleged conduct. The
17 Alleged Claims are: (1) failure to authorize and permit rest periods, (2) failure to
18 provide meal periods, (3) failure to provide and maintain compliant itemized wage
19 statements, (4) violation of Labor Code section 226.7(A), (5) violation of Labor
20 Code section 512, (6) violation of Labor Code section 1198, and (7) violation of
21 Labor Code section 226(A). The Alleged Claims include the allegation that
22 Defendant committed unfair business practices under California Business &
23 Professions Code Section 17200 by the alleged conduct, and all claims to entitlement
24 to damages, restitution, civil and/or statutory penalties (including penalties imposed
25 or made collectible by the Labor Code Private Attorney General Act), interest,
26 attorneys’ fees, costs, declaratory and other equitable relief as a result of the alleged
27 conduct.

28 1.2 “Claims Administrator” means Phoenix Settlement Administrators

1 (“Phoenix”), which shall act as an independent third party claims administrator.

2 1.3 “Claims Administration Costs” shall have the meaning set forth in
3 Section 9.3 of this Stipulation.

4 1.4 “Classes” means collectively the Non-Exempt Class and Pay Stub Class
5 certified for purposes of Settlement only following the entry of an appropriate Order
6 by the Court. The Non-Exempt Class consists of any and all Hourly Employees
7 employed by La Quinta in California at any time during the Class Period of June 21,
8 2012 through the Date of Preliminary Approval. The Pay Stub Class consists of any
9 and all Hourly Employees and Non-Hourly Employees employed by La Quinta in
10 California at any time during the Class Period of January 28, 2013 and the Date of
11 Preliminary Approval. A Class Member may be a member of one or both Classes.

12 1.5 “Class Counsel” means The Dente Law Firm and Robbins Arroyo LLP.

13 1.6 “Class Counsel Award” shall have the meaning set forth in Section 9.1
14 of this Stipulation.

15 1.7 “Class List” shall have the meaning set forth in Section 5.3 of this
16 Stipulation.

17 1.8 “Class Members” means all Putative Class Members who have not
18 opted out of the Settlement after the Notice Period and who are therefore in one or
19 more of the Classes that are certified for purposes of Settlement only, following the
20 entry of an appropriate Order by the Court.

21 1.9 “Class Period” means the period from June 21, 2012 through the Date
22 of Preliminary Approval for the Non-Exempt Class, and from January 28, 2013
23 through the Date of Preliminary Approval for the Pay Stub Class.

24 1.10 “Class Representative” means Sergio Peralta.

25 1.11 “Class Settlement Amount” shall have the meaning set forth in Section
26 4.1 of this Stipulation.

27 1.12 “Company” means defendant LQ Management LLC dba HVM/LQ
28 Management LLC (also known as “La Quinta”) [hereinafter “La Quinta” or

1 “Defendant” or “Company”].

2 1.13 “Compensable Pay Periods” shall have the meaning set forth in Section
3 4.4 of this Stipulation.

4 1.14 “Consideration for Release” shall have the meaning set forth in Section
5 9.4 of this Stipulation.

6 1.15 “Court” means the United States District Court, Southern District of
7 California, the Honorable Dana M. Sabraw presiding, or any judge to whom the case
8 is reassigned.

9 1.16 “Date of Final Approval” means the date the Court enters an order
10 granting final approval of the Settlement.

11 1.17 “Date of Final Judgment” means the date the Court renders and enters
12 the judgment or order in the Lawsuit upon Final Approval of the Settlement.

13 1.18 “Date of Preliminary Approval” means the date the Court enters an
14 order granting preliminary approval of the Settlement.

15 1.19 “Deemed Mailed” shall have the meaning set forth in Section 5.5 of this
16 Stipulation.

17 1.20 “Defendant” means LQ Management LLC dba HVM/LQ Management
18 LLC (also known as “La Quinta”) [hereinafter “La Quinta” or “Defendant”].

19 1.21 “Effective Date” means: (i) the date of expiration of the time to file
20 appeals regarding an Order granting final approval, or; or (ii) if such an appeal is
21 filed, the resolution of any such appeals in a way that does not alter the terms of the
22 settlement.

23 1.22 “Enhancement Service Award” shall have the meaning set forth in
24 Section 9.2 of this Stipulation.

25 1.23 “Final Approval Hearing” means the hearing at which the Court
26 considers whether to grant final approval of the Settlement.

27 1.24 “Final Judgment” and/or “Judgment” means the judgment or order to be
28 rendered and entered by the Court in the Lawsuit upon Final Approval of the

1 Settlement.

2 1.25 “Hourly Employee” shall mean a hourly employee classified as non-
3 exempt and employed by La Quinta in California at any time between June 21, 2012
4 and the Date of Preliminary Approval.

5 1.26 “Individual Class Member Payment” shall have the meaning set forth in
6 Section 4.4 of this Stipulation.

7 1.27 “Last Known Address” means the most recently recorded mailing
8 address for a Putative Class Member as such information is contained in employment
9 or personnel records maintained by Defendant.

10 1.28 “Lawsuit” means the action styled *Peralta v. LQ Management, LLC, et*
11 *al.*, Case No. 3:14-cv-01027-DMS-JLB, pending in the United States District Court,
12 Southern District of California, the Honorable Dana M. Sabraw presiding.

13 1.29 “Net Settlement Amount” shall have the meaning set forth in Section
14 4.2 of this Stipulation.

15 1.30 “Non-Hourly Employee” “ shall mean a person employed by La Quinta
16 in California at any time between January 28, 2013 and the Date of Preliminary
17 Approval and who is classified as an exempt employee, not an Hourly Employee.

18 1.31 “Notice of Class Action Settlement” shall have the meaning set forth in
19 Section 5.4 of this Stipulation.

20 1.32 “Notice Packets” shall have the meaning set forth in Section 5.4 of this
21 Stipulation.

22 1.33 “Notice Period” shall have the meaning set forth in Section 5.6 of this
23 Stipulation.

24 1.34 “Objection” shall have the meaning set forth in Section 6 of this
25 Stipulation.

26 1.35 “Participating Class Member” means each Putative Class Member who
27 does not submit a valid and timely Request for Exclusion.

28 1.36 The “Parties” means the Class Representative and the Defendant.

1 1.37 “Putative Class Members” shall mean collectively (i) all Hourly
2 Employees and (ii) all Pay Stub Employees who belong to one or both of the
3 Classes.

4 1.38 “Reasonable Address Verification Measure” means the utilization of the
5 National Change of Address Database maintained by the United States Postal
6 Service, and a skip trace, to review the accuracy of and, if possible, update a mailing
7 address.

8 1.39 “Released Claims” shall have the meaning set forth in Section 10 of this
9 Stipulation.

10 1.40 “Released Parties” means Defendant LQ Management LLC dba
11 HVM/LQ Management LLC (also known as “La Quinta”), and each and all of its
12 respective past and present parents, subsidiaries, legally affiliated companies and
13 corporations, and each and all of their respective past and present directors, officers,
14 managers, employees, general partners, limited partners, principals, agents, insurers,
15 reinsurers, shareholders, attorneys, advisors, representatives, predecessors,
16 successors, divisions, joint venturers, assigns, or legally related entities, and each and
17 all of their respective executors, successors, assigns and legal representatives.

18 1.41 “Request for Exclusion” shall have the meaning set forth in Section 5.4
19 of this Stipulation.

20 1.42 “Settlement” means the terms and conditions set forth in this
21 Stipulation.

22 1.43 “Settlement Allocation Form” shall have the meaning set forth in
23 Section 5.4 of this Stipulation.

24 1.44 “Stipulation” means this Stipulated Class Action Settlement.

25 1.45 “Updated Address” means a mailing address that was updated via
26 Reasonable Address Verification measures or via an updated mailing address
27 provided by the United States Postal Service, or a Putative Class Member or their
28 representative.

1 1.45 "Wage Statement" means an itemized wage statement issued by
2 Defendant to any Hourly Employee or Non-Hourly Employee during a Compensable
3 Pay Period.

4 **2. CONDITIONS PRECEDENT TO EFFECTIVENESS OF**
5 **STIPULATION**

6 The Parties enter into this Stipulation and the Settlement on a conditional
7 basis, subject to the conditions set forth herein and Court approval.

8 2.1 This Settlement is based upon representations made by the Company
9 that, as of October 12, 2014, there are approximately 1,242 Putative Class Members,
10 1,189 of which have been employed as Hourly Employees and 53 of which have
11 been employed as Non-Hourly Employees, and of which 1,087 are in the Pay Stub
12 Class and 1,189 of which are in the Non-Exempt Class. The Class Representative
13 maintains the right, in his sole discretion, to revoke the Settlement in the event that
14 additional data analysis reveals that the actual number of the Putative Class Members
15 existing (as of the date that Defendant pulled the data used in preparation for the
16 mediation of this action) is more than ten percent (10%) greater than the estimates
17 provided in this Section 2.1. The Class Representative has seven (7) calendar days
18 following its notification by the Claims Administrator regarding the final number of
19 Putative Class Members to notify Defendant of his intent to revoke the Settlement.

20 2.2 This Stipulation will become final and effective only upon the
21 occurrence of all of the following events. Similarly, Defendant's obligations under
22 this Settlement will become final and effective only upon occurrence of all of the
23 following events.

24 (A) The Court enters an order granting preliminary approval of the
25 Settlement;

26 (B) Defendant elects not to exercise its limited rights to terminate this
27 Settlement pursuant to the grounds described in Sections 3 and
28 5.9 of this Stipulation;

- 1 (C) The Class Representative elects not to exercise his limited right to
- 2 terminate this Settlement pursuant to the grounds described in
- 3 Section 2.1 of this Stipulation;
- 4 (D) The Court certifies the Classes for settlement purposes;
- 5 (E) The Court conducts a Final Approval Hearing;
- 6 (F) The Court enters an order granting final approval of the
- 7 Settlement;
- 8 (G) The Court enters a Final Judgment approving the Stipulation and
- 9 holding that, except as to those Putative Class Members who
- 10 submit valid Requests for Exclusion, all claims specifically
- 11 covered by this Stipulation are released; and
- 12 (H) The Effective Date occurs, and any challenge to the Settlement,
- 13 whether by objection or appeal, is resolved in favor of
- 14 enforcement of the Settlement.

15 Unless the Court orders otherwise, this Stipulation shall be deemed null and
16 void *ab initio* upon the failure of any of these seven conditions to occur. In such
17 event, neither this Stipulation, nor any negotiations leading to this Settlement, nor
18 any information exchanged solely for purposes of furthering settlement negotiations,
19 will be used or construed by or against any Party as a determination, admission or
20 concession of any issue of law or fact; and the Parties hereto do not waive, and
21 instead expressly reserve, their respective rights regarding the prosecution and
22 defense of the Lawsuit, including all available defenses and affirmative defenses, and
23 challenging any claim that the Lawsuit could be certified as a class action, as if this
24 Settlement never existed.

25 2.3 The invalidation of any material term of this Settlement will invalidate
26 this Agreement in its entirety unless the Parties subsequently agree in writing that the
27 remaining provisions will remain in force and effect.

28 2.4 In the event of a timely appeal from an order of Final Judgment, the

1 Judgment will be stayed and all payments required under this Settlement will not be
2 paid pending the completion and final resolution of the appeal, and any payments
3 thereafter will: (a) occur only if the order of Final Judgment is upheld after all
4 appeals; and (b) be distributed in a manner that is provided for in this Settlement and
5 in the order of Final Judgment.

6 **3. CONDITIONAL CLASS CERTIFICATION**

7 For settlement purposes only, the Parties stipulate to class certification of the
8 Classes consisting of the Putative Class Members who don't timely submit a valid
9 Request for Exclusion. If the Court does not grant either/both preliminary and/or
10 final approval of this Settlement, the Parties agree that this conditional class
11 certification will automatically be deemed revoked. If, pursuant to Section 5.9, ten
12 percent (10%) or more of the Putative Class Members opt out of the Class or the
13 Settlement, Defendant maintains the right, in its sole discretion, to revoke the
14 Settlement including the stipulation to class certification. Defendant expressly
15 reserves its rights to oppose class certification of any purported class or subclass
16 should this Settlement not become final.

17 **4. SETTLEMENT CONSIDERATION**

18 4.1 Subject to the procedures set forth below, Defendant agrees to pay each
19 Participating Class Member his or her Individual Class Member Payment as
20 consideration for settlement of the Lawsuit. The Class Settlement Amount shall be a
21 non-reversionary, non-claims made sum of nine hundred thousand dollars
22 (\$900,000). In addition to the \$900,000 Class Settlement Amount, the Company
23 shall pay the employer side payroll taxes on the wage component of the Net
24 Settlement Amount. Notwithstanding any other provision in this Stipulation, aside
25 from the Company's tax liability for payments required by this Stipulation, in no
26 event will Company be obligated to pay more than nine hundred thousand dollars
27 (\$900,000) to cover all Individual Class Member Payments, Claims Administration
28 Costs, payments made to the State of California and the Class for resolution of the

1 PAGA claims, Class Counsel Award, and Enhancement Service Award.

2 4.2 The “Net Settlement Amount” shall be the amount of the Class
3 Settlement Amount available for distribution to the Participating Class Members
4 after subtracting the Class Counsel Award, Enhancement Service Award, payments
5 made to the State of California for resolution of the PAGA claims, and Claims
6 Administration Costs.

7 4.3 The Parties allocate a total of sixteen thousand dollars (\$16,000) from
8 the Class Settlement Amount to settle the PAGA claims. California Labor Code
9 section 2699(i) requires that the parties distribute any settlement of PAGA claims as
10 follows: seventy-five percent (75%) to the State Of California’s Labor Workforce
11 Development Agency (“LWDA”) for enforcement of labor laws and education of
12 employers, and twenty-five percent (25%) to “aggrieved employees.” The Parties
13 therefore allocate twelve thousand dollars (\$12,000) to the State of California
14 LWDA, to be paid from the Class Settlement Amount by the Claims Administrator.

15 4.4 Each Participating Class Member for whom a Reasonable Address
16 Verification Measure and/or additional skip tracing as described in 5.5 does not yield
17 a non-deliverable returned Notice Packet to the Claims Administrator by twenty-
18 eight (28) calendar days before the Final Approval Hearing (an “Eligible
19 Participating Class Member”), shall receive an Individual Class Member Payment,
20 less tax withholdings required by statute, computed as follows:

- 21 1. Each Eligible Participating Class Member in the PayStub Class will
22 receive \$25 if said Eligible Participating Class Member was issued a
23 pay check for any Compensable Pay Period after February 21, 2014
24 through the Date of Preliminary Approval.
- 25 2. In addition, each Eligible Participating Class Member will receive a
26 pro-rata share of the remaining Net Settlement Amount based on points
27 assigned as follows:
 - 28 a. For each member of the Non-Exempt Class:

- 1 i. .25 points for each Compensable Pay Period between June
- 2 21, 2012 and the Date of Preliminary Approval
- 3 b. For each member of the Pay Stub Class who is an Hourly
- 4 Employee:
- 5 i. 1.5 points for each Compensable Pay Period between
- 6 January 28, 2013 and February 21, 2014
- 7 c. For each member of the Pay Stub Class who is an Non- Hourly
- 8 Employee
- 9 i. .5 points for each Compensable Pay Period between
- 10 January 28, 2013 and February 21, 2014

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

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

22 4.5 Defendant agrees to pay an Enhancement Service Award of up to five
 23 thousand dollars (\$5,000.00) to the Class Representative upon Class Counsel’s
 24 application and the Court’s approval, pursuant to Section 9.2. The Claims
 25 Administrator will issue the Class Representative an IRS Form 1099 for any
 26 Enhancement Service Award.

27 4.6 Defendant understands and agrees that it shall be responsible for paying
 28 its tax liability for any payments required by this Stipulation separate and apart from,

1 and in addition to, the Class Settlement Amount. The Class Administrator shall issue
2 an IRS Form W-2 to each Participating Class Member for the portion of the payment
3 that constitutes wages, and shall issue an IRS Form 1099 to each Participating Class
4 Member for the portion of the payment that constitutes penalties, to the Class
5 Representative for any Enhancement Service Award, and to Class Counsel for any
6 payment of Attorney's Fees and/or Costs. Defendant shall not be responsible for
7 making payroll tax payments on any portion of the Class Settlement Amount that is
8 attributable to attorneys' fees, costs, penalties, interest, Claims Administration Costs,
9 or any Enhancement Service Award. The Parties further understand that the Class
10 Representative and any Participating Class Member who receives any Individual
11 Class Member Payment pursuant to this Stipulation shall be responsible for correctly
12 characterizing such amounts for tax reporting purposes and solely responsible for
13 any and all tax obligations associated with such receipt, except as may be
14 specifically set forth in this Paragraph. Individual Class Member Payments will not
15 count as earnings or compensation for purposes of any benefit plans (e.g., 401(k)
16 plans, retirement plans, etc.) sponsored by Defendant.

17 4.7 Uncashed Checks

18 For any checks issued to Participating Class Members which have not been
19 cashed 150 days after the Claims Administrator first mails settlement checks to the
20 Participating Class Members, the Claims Administrator will follow the procedures
21 set by the State of California Department of Industrial Relations with respect to non-
22 negotiated checks, with an identification of the Participating Class Member to whom
23 the funds belong.

24 4.8 The Individual Class Member Payments shall be paid according to
25 Section 8 of this Stipulation.

26 **5. CLAIMS PROCEDURE**

27 5.1 The parties designate Phoenix as the Claims Administrator.

28 5.2. The Claims Administrator will be responsible for mailing the Notice

1 Packets, searching for appropriate contact information for Putative Class Members,
2 collecting documents from Putative Class Members, responding to inquiries from
3 Putative Class Members, processing payments, and performing such other duties as
4 the Parties may direct.

5 **5.3 Putative Class Member List.** Not later than fourteen (14) calendar
6 days following the Date of Preliminary Approval, Defendant will provide to the
7 Claims Administrator, but not Class Counsel, a list (the “Class List”) identifying
8 each Putative Class Member, his or her social security number, and his/her Last
9 Known Address. The Class List will also contain information as to whether the
10 Putative Class Member is an Hourly Employee or a Non-Hourly Employee, as well
11 as the dates of employment during the Class Period in which each Putative Class
12 Member was employed and the aggregate number of Compensable Pay Periods in
13 which the Putative Class Member was employed by Defendant during the Class
14 Period. Not later than twenty (20) calendar days following the Date of Preliminary
15 Approval, the Class Administrator will provide to Class Counsel, a modified Class
16 List that has the number of Putative Class Members broken down by inclusion into
17 the Pay Stub Class and the Non-Exempt Class, the number of Hourly Employees,
18 and the number of Non-Hourly Employees, and the number of Compensable Pay
19 Periods. The Claims Administrator and Class Counsel shall keep all information
20 contained in the Class List completely confidential, shall not share such information
21 with any other person or entity, and shall not use such information for any purpose
22 other than those expressly described in this Stipulation. .

23 **5.4 Notice to Putative Class Members**

24 (A) Immediately upon receipt of the Class List, the Claims
25 Administrator shall undertake a Reasonable Address Verification
26 Measure to ascertain the accuracy of the Last Known Address for each
27 Putative Class Member. To the extent that this process yields an
28 Updated Address, that Updated Address shall replace the Last Known

1 Address and be treated by the Claims Administrator as the new Last
2 Known Address. The Reasonable Address Verification Measure will
3 include for Class Members identified as former employee, an upfront
4 skip tracing prior the mailing described in 5.4(B).

5 (B) Not later than ten (10) calendar days following receipt of the
6 Class List, the Claims Administrator shall send, via U.S. Mail, to each
7 of the Putative Class Members: (1) a Notice of Class Action Settlement
8 substantially in the form of Exhibit "A" hereto; and (2) a Settlement
9 Allocation Form substantially in the form of Exhibit "B" hereto. Each
10 of the Notice of Class Action Settlement and Settlement Allocation
11 Form will be translated into Spanish by a translator certified as a court
12 interpreter in the State of California and all Notice Packets will include
13 both the English and Spanish versions of these three documents. Each
14 Settlement Allocation Form shall be pre-printed with the number of
15 actual Compensable Pay Periods during the Class Period by that
16 Putative Class Member, according to Defendant's records as reflected in
17 the Class List, and the estimated share of the Net Settlement Amount
18 payable to that Putative Class Member pursuant to the terms of this
19 Stipulation.

20 **5.5 Date of Mailing and Re-Mailing**

21 (A) A Notice Packet shall be "Deemed Mailed" to the Putative Class
22 Member to whom it was sent on the date of the initial mailing,
23 regardless of whether it is subsequently returned as undeliverable from
24 the United States Postal Service. In the event that a Notice Packet is
25 returned to the Claims Administrator with a forwarding address, the
26 Claims Administrator will re-send the Notice Packet to the forwarding
27 address affixed thereto, and the forwarding address will be deemed the
28 Updated Address for that Putative Class Member. In the event that the

1 first mailing of the Notice Packet is returned without a forwarding
2 address within at least fourteen (14) calendar days prior to the end of the
3 Notice Period, the Claims Administrator will immediately conduct a
4 standard skip trace in an effort to ascertain the current address for the
5 particular Putative Class Member in question. If a more recent or
6 accurate address is found by this method, the Claims Administrator will
7 resend the Notice Packet to the new address within five (5) calendar
8 days of identifying the new address information. If no new information
9 is ascertained by means of a skip trace, or if the Notice Packet is
10 returned to the Claims Administrator after using an address obtained
11 from a standard skip trace, the Claims Administrator will immediately
12 perform a manual “in-depth skip trace” to locate a more recent or
13 accurate address. If a more recent or accurate address is found by this
14 method, the Claims Administrator will resend the Notice Packet to the
15 new address within five (5) calendar days of identifying the new address
16 information. All of the costs incurred relating to the skip traces
17 described above shall fall within the definition of Claims
18 Administration Costs.

19 (B) In the event the procedures set forth herein are followed and the
20 intended recipient of a Notice Packet still does not receive the Notice
21 Packet, or any portion thereof, the intended recipient will nevertheless
22 be deemed a Class Member and will be bound by all terms of the
23 Settlement and the order of final approval entered by the Court.

24 5.6 **Opt-Out Procedure.**

25 (A) Subject to Court approval, Putative Class Members shall have
26 forty-five (45) calendar days from the date that the Notice Packet is
27 Deemed Mailed to the Putative Class Members (referred to hereafter as
28 the “Notice Period”) to submit a Request for Exclusion by mail to the

1 Claims Administrator. The Request for Exclusion must state the
2 Putative Class Member's name, address, dates of employment with La
3 Quinta, last 4 digits of their social security number in addition to a
4 statement that they request to be excluded from the settlement and
5 benefits of the settlement in the matter of *Peralta v. LQ Management*
6 *L.L.C.*, United States District Court Southern District of California Case
7 No. 3:14-cv-01027-DMS-JLB. The date of mailing of the Request for
8 Exclusion Form by a Putative Class Member is deemed to be the date
9 the form is deposited in the U.S. Mail, postage prepaid, as evidenced by
10 the post-mark, or if the submission is by way of facsimile, the
11 transmission date of the fax is deemed to be the submission date. If the
12 last day of the Notice Period falls on a Sunday or legal holiday, the
13 Notice Period shall be deemed to extend through the next business day.
14 Putative Class Members who do not properly and/or timely submit a
15 Request for Exclusion become Class Members and shall be subject to
16 the Judgment and will be eligible to receive an Individual Class
17 Member Payment.

18 (B) Any Putative Class Member who submits a timely and valid
19 Request for Exclusion shall not receive benefits of the Settlement under
20 this Stipulation, and shall not be bound by the Release of Claims set
21 forth in Section 10 of this Stipulation; otherwise, all other Putative Class
22 Members shall be deemed Class Members and shall be bound by the
23 terms of this Stipulation and Settlement.

24 **5.7 Disputes Regarding Compensable Pay Periods.** Putative Class
25 Members will be entitled to dispute the number of actual Compensable Pay Periods
26 during the Class Period pre-printed on his or her Settlement Allocation Form by: (1)
27 signing the Settlement Allocation Form; (2) indicating in writing on the Settlement
28 Allocation Form his or her proposed correction to the number of actual Compensable

1 Pay Periods during the Class Period; and (3) if the Putative Class Member indicates
2 that he is entitled to a greater number of actual Compensable Pay Periods during the
3 Class Period than the amount pre-printed on his or her Settlement Allocation Form,
4 he or she must also submit satisfactory evidence to support his or her contention
5 (evidence of the dates of employment with Defendant alone will not constitute
6 satisfactory evidence). In the event of a dispute over a Class Member's number of
7 actual Pay Periods during the Class Period, the parties shall meet and confer in good
8 faith in an attempt to resolve that dispute. If the dispute cannot be resolved, it shall
9 be submitted to the Claims Administrator for resolution prior to the Final Approval
10 Hearing. If the Parties agree or the Claims Administrator determines that the Class
11 Member's actual Pay Periods during the Class Period are, in fact, higher or lower
12 than the amount pre-printed on the Claim Form, the calculation of that Class
13 Member's Individual Class Member Payment will be based on the agreed-upon
14 higher or lower amount. Before the Final Approval Hearing, the Claims
15 Administrator will provide a written explanation to any Class Member raising the
16 dispute regarding actual Pay Periods during the Class Period entitled "Notice
17 Regarding Disputed Compensable Pay Periods." This document will inform the
18 Class Member of any change to his or her Class Member Compensable Weeks, set
19 forth the reasons why no change has been made, or explain that the matter will be
20 resolved prior to the Final Approval Hearing.

21 5.8 Within seven (7) calendar days after the expiration of the Notice Period
22 the Claims Administrator shall notify Class Counsel and Defendant's counsel of the
23 Putative Class Members who have opted out of the Settlement. The Claims
24 Administrator shall identify these Putative Class Members by name.

25 5.9 Counsel for the Parties and the Parties shall not discourage any Putative
26 Class Member from participating in, objecting to, or opting out of the Settlement.
27 However, if ten percent (10%) or more of the Putative Class Members opt out of the
28 Settlement, then Defendant shall have the right, in its sole discretion, to void the

1 Settlement including revoking the stipulation to class certification. Defendant has
2 seven (7) calendar days following its notification by the Claims Administrator
3 regarding the final number of Class Members who have opted out of the Class to
4 notify Class Counsel of its intent to void the Settlement including the stipulation to
5 class certification. Should Defendant exercise its right to void the Settlement,
6 Defendant shall be responsible for paying all Claims Administrator costs and fees
7 incurred through the void date, and those as a result of the voiding of the Settlement.

8 **6. OBJECTIONS TO SETTLEMENT**

9 Any Putative Class Member who wishes to object to the Settlement, Class
10 Counsel's motion for attorneys' fees and costs, or to the Class Representative's
11 request for Enhancement Service Award must not "opt out" of the Settlement by
12 submitting a Request for Exclusion. Any Putative Class Member who wishes to
13 object to the Settlement, Class Counsel's motion for attorneys' fees and costs, or to
14 the Class Representative's request for Enhancement Service Award must also file a
15 written objection with the Clerk of the United States District Court for the Southern
16 District of California (an "Objection"), and must serve copies of the written
17 Objection to the Claims Administrator, Class Counsel, and counsel for Defendant, no
18 later than forty-five (45) calendar days following the date the Notice Packet is
19 Deemed Mailed. The date of service of any written Objection is deemed to be the
20 date the objection is deposited in the U.S. Mail, postage pre-paid, as evidenced by
21 the postmark. The date of filing of any written Objection is deemed to be the date
22 the objection is file-stamped by the court as being filed. The Objection must set
23 forth the Putative Class Member's name, addresses, dates of employment with La
24 Quinta and last 4 digits of their social security number, in addition to, in clear and
25 concise terms, the legal and factual arguments supporting the objection. Unless
26 otherwise ordered by the Court, neither Class Members nor their attorneys,
27 representatives, agents, successors, or assignees shall be entitled to speak at the Final
28 Approval Hearing unless the Class Member has submitted a timely written Objection

1 pursuant to this subsection which also indicates their desire to speak at the Final
2 Approval Hearing, and file an Entry of Appearance as described in the Notice. Any
3 Class Member who fails to file and serve a timely written Objection in the manner
4 described above will be deemed to have waived all objections and/or contests to the
5 Settlement and will be foreclosed from contesting and/or attacking the validity of the
6 Settlement (whether by appeal or otherwise).

7 **7. ABSOLUTE DEADLINE FOR SETTLEMENT ALLOCATION**
8 **FORMS, REQUESTS FOR EXCLUSION AND/OR OBJECTIONS**

9 7.1 Notwithstanding any other provision of this Stipulation, any Settlement
10 Allocation Form, Request for Exclusion, or Objection by any Putative Class Member
11 or Class Member will be considered untimely submitted if it is
12 filed/served/submitted/ postmarked, as applicable, more than forty-five (45) calendar
13 days from the date the Notice Packet was Deemed Mailed to that Putative Class
14 Member unless the Parties agree otherwise.

15 7.2 Not later than seven (7) calendar days after the expiration of the Notice
16 Period, the Claims Administrator shall notify Class Counsel and Defendant's counsel
17 of: (a) the names of the Putative Class Members who have opted out of the
18 Settlement; (b) the details of any corrections or objections to the Workweeks pre-
19 printed on any Settlement Allocation Form; and (c) the amount of each Individual
20 Class Member Payment due to each Participating Class Member. For items (b) and
21 (c) in this paragraph, the Claims Administrator shall identify Participating Class
22 Members by their employee identification number only.

23 **8. PAYMENT PROCEDURE**

24 8.1 As a condition of receiving any Individual Class Member Payment
25 under this Stipulation and Settlement, Putative Class Members must become a
26 Participating Class Member by not opting out of the Settlement, and releasing the
27 Released Claims. Plaintiff will be issued his Individual Class Member Payment at
28 the time the Claims Administrator issues payments to all Class Members.

1 8.2 The Claims Administrator shall be responsible for mailing Individual
2 Class Member Payments to the Class Members. Not later than fourteen (14)
3 calendar days following the Effective Date, Defendant shall provide the Claims
4 Administrator with the funds for the Individual Class Member Payments, and the
5 Claims Administrator shall mail to each Eligible Participating Class Member a
6 check in the amount(s) calculated pursuant to Sections 4.4 and 7.2 of this Stipulation.
7 All such checks will indicate on their face that they are void if not negotiated within
8 one hundred and twenty (120) calendar days of issuance. Defendant will determine
9 the appropriate method to be used to calculate payroll tax withholdings, and may
10 request that the Claims Administrator conduct such calculations. The expense of
11 conducting such calculations shall be considered part of the Claims Administration
12 Costs.

13 8.3 In the event that a settlement check is returned to the Claims
14 Administrator with a forwarding address, the settlement check will be forwarded to
15 the forwarding address. In the event a settlement check is returned to the Claims
16 Administrator without a forwarding address or is otherwise undeliverable, the Claims
17 Administrator will conduct a standard search and re-mail the returned check, and the
18 expense of such search shall be part of the Claims Administration Costs. If a Class
19 Member contacts the Claims Administrator or counsel for either Party with a new
20 address within 30 calendar days of the date the settlement checks are initially mailed
21 to the Class Members, the settlement check for that Class Member will be reissued
22 and mailed to the new address provided no later than 15 calendar days after receipt
23 of the new address for that Class Member. Any such reissued check will indicate on
24 its face that it is void if not negotiated within ninety (90) calendar days of its
25 issuance.

26 8.4 For any checks issued to Participating Class Members which have not
27 been cashed 150 days after the Claims Administrator first mails settlement checks to
28 the Participating Class Members, the Claims Administrator will follow the

1 procedures set by the State of California Department of Industrial Relations with
2 respect to non-negotiated checks, with an identification of the Participating Class
3 Member to whom the funds belong.

4 8.5 In the event that any interest is earned on any portion of the monies
5 allocated to payments under this Agreement to Participating Class Member, Class
6 Counsel, the Class Representative, and/or the Claims Administrator, such interest
7 shall be paid to Defendant.

8 **9. ATTORNEYS' FEES AND COSTS, CLASS REPRESENTATIVE**
9 **ENHANCEMENT AWARD, AND COSTS OF NOTICE AND**
10 **ADMINISTRATION**

11 9.1 **Attorneys' Fees and Costs.**

12 (A) Plaintiff will request, and the Company will not object to a request, that the
13 court approve: (a) an award of attorneys' fees in an amount equal to no more than
14 \$270,000; and (b) an award of reasonable litigation costs to class counsel not to
15 exceed \$17,000. (The "Class Counsel Award"). In no event will the Company be
16 obligated to pay more than two hundred and seventy thousand dollars (\$270,000)
17 with respect to attorneys' fees, and \$17,000 for costs.

18 (B) Defendant will not oppose Class Counsel's request for the award
19 of attorney's fees and costs described in this section, and agrees that the request is
20 fair and reasonable under the circumstances of this case.

21 9.2 **Enhancement Service Award.** Class Counsel will submit an
22 application for five thousand dollars (\$5,000) as an "Enhancement Service Award"
23 to Class Representative Sergio Peralta for his time, effort and participation in this
24 Lawsuit as Class Representative. Defendant will not oppose a motion for approval
25 of such Enhancement Service Award, and agrees that the request is fair and
26 reasonable under the circumstances of this case.

27 9.3 **Claims Administration Costs.** "Claims Administration Costs" shall
28 include all costs and expenses due to the Claims Administrator in connection with its

1 administration of the claims including, but not limited to, preparing and mailing
2 Notice Packets, locating Class Members, processing any Requests for Exclusion and
3 Settlement Allocation Forms, calculating withholdings and taxes, and administering
4 and distributing the Class Settlement Amount including the Individual Class Member
5 Payments to Participating Class Members. All Claims Administration Costs shall be
6 paid from the Class Settlement Amount.

7 **10. RELEASE OF CLAIMS**

8 **10.1 Terms of Release.** In consideration of the mutual promises contained
9 herein, the Class Representative and the Class Members, on behalf of themselves and
10 on behalf of their current, former, and future heirs, executors, administrators,
11 attorneys, agents, and assigns, do hereby and forever fully and finally release, waive,
12 acquit and discharge the Released Parties from the Released Claims.

13 **10.2 Released Claims of Class Members and the Class Representative**

14 Upon the Effective Date, all Hourly Employees (other than those Hourly
15 Employees who timely and properly exclude themselves from the Settlement) will be
16 deemed to have, and by operation of the Order of Final Approval will have,
17 expressly waived and relinquished, to the fullest extent permitted by law, all claims,
18 charges, complaints, liens, demands, causes of action, obligations, damages and
19 liabilities, whether known or unknown, that each such Hourly Employee had, now
20 has, or may hereafter claim to have against the Released Parties, arising at any time
21 between June 21, 2012 and through the Date of Preliminary Approval (unless
22 otherwise noted below), out of, or relating in any way to the Alleged Claims or that
23 arise out of the same nucleus of operative facts as the Alleged Claims for, or in the
24 nature of, (1) failure to authorize and permit rest periods, (2) failure to provide meal
25 periods, (3) failure to provide and maintain compliant itemized wage statements, (4)
26 violation of Labor Code section 226.7(A) (arising at any time between January 28,
27 2013 and the Date of Preliminary Approval) , (5) violation of Labor Code section
28 512, (6) violation of Labor Code section 1198, and (7) violation of Labor Code

1 section 226(A) (collectively, the “Hourly Employee Released Claims”). Without
2 limiting the foregoing, the “Hourly Employee Released Claims” include, to the
3 extent permitted by law: (a) any claims and causes of action, whether known or
4 unknown, that were or could have been alleged or asserted based on the same
5 nucleus of operative facts as the Alleged Claims; (b) any claims that were or could
6 have been brought under California Labor Code Sections 218.5, 226 (arising at any
7 time between January 28, 2013 and the Date of Preliminary Approval), 226.7, 512,
8 558, 1194, 1194.2, 1197, 1198, 2699 *et seq.* (“PAGA”), the applicable Industrial
9 Welfare Commission Wage Orders, the Fair Labor Standards Act, and all related or
10 corresponding federal laws, and all implementing regulations and interpreting
11 guidance arising from the same nucleus of operative facts of the Alleged Claims; (c)
12 any claims that were or could have been brought under California Business and
13 Professions Code Section 17200 *et seq.* as unlawful, fraudulent or misleading based
14 on the claims, facts and allegations alleged in the Lawsuit (including, but not limited
15 to, claims of conduct unlawful under state or federal law) arising from the same
16 nucleus of operative facts as the Alleged Claims; (d) any other causes of action that
17 are based on or relate to meal or rest period violations, improper wage statements, or
18 unfair business practices, including related premiums, penalties, interest, punitive
19 damages, costs, attorneys’ fees, injunctive relief, declaratory relief, or accounting,
20 whether such causes of action are in tort, contract, or pursuant to a statutory remedy,
21 which arise from the same nucleus of operative facts of the Alleged Claims.

22 Upon the Effective Date, all Non-Hourly Employees (other than those Non-
23 Hourly Employees who timely and properly exclude themselves from the
24 Settlement) will be deemed to have, and by operation of the Order of Final Approval
25 will have, expressly waived and relinquished, to the fullest extent permitted by law,
26 all claims, charges, complaints, liens, demands, causes of action, obligations,
27 damages and liabilities, whether known or unknown, that each such Non-Hourly
28 Employee had, now has, or may hereafter claim to have against the Released Parties,

1 arising at any time between January 28, 2013 and through the Date of Preliminary
2 Approval, out of, or relating in any way to the Alleged Claim or arising out of the
3 same nucleus of operative facts as the Alleged Claim for, or in the nature of, failure
4 to provide and maintain compliant itemized wage statements (“Non-Hourly Released
5 Claims”). Without limiting the foregoing, the “Non-Hourly Employee Released
6 Claims” include, to the extent permitted by law: (a) any claims and causes of action,
7 whether known or unknown, that were or could have been alleged or asserted arising
8 from the same nucleus of operative facts of the Alleged Claim for failure to provide
9 and maintain compliant itemized wage statements ; (b) any claims that were or could
10 have been brought under California Labor Code Sections 226, 1198, 2699 *et seq.*
11 (“PAGA”), the applicable Industrial Welfare Commission Wage Orders, the Fair
12 Labor Standards Act, and all related or corresponding federal laws, and all
13 implementing regulations and interpreting guidance arising from the same nucleus of
14 operative facts of the Alleged Claim for failure to provide and maintain compliant
15 itemized wage statements ; (c) any claims that were or could have been brought
16 under California Business and Professions Code Section 17200 *et seq.* as unlawful,
17 fraudulent or misleading based on the claims, facts and allegations alleged in the
18 Lawsuit (including, but not limited to, claims of conduct unlawful under state and
19 federal law) arising from the same nucleus of operative facts as the Alleged Claim
20 and (d) any other causes of action that arise out of the same nucleus of operative
21 facts as the Alleged Claim for failure to provide and maintain compliant itemized
22 wage statements including related premiums, penalties, interest, punitive damages,
23 costs, attorneys’ fees, injunctive relief, declaratory relief, or accounting, whether
24 such causes of action are in tort, contract, or pursuant to a statutory remedy.

25 The Hourly Employee Released Claims and the Non-Hourly Employee
26 Released Claims are collectively termed “Released Claims.”

27 With respect only to any and all Released Claims enumerated above, the Class
28 Members agree that, upon the Effective Date, the Class Members shall and have, by

1 operation of the judgment, waived and relinquished, to the fullest extent permitted by
2 law, the provisions, rights, and benefits of §1542 of the California Civil Code, which
3 provides:

4 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
5 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO
6 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING
7 THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST
8 HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT
9 WITH THE DEBTOR.

10 The Class Members may hereafter discover facts in addition to or different
11 from those which they now know or believe to be true with respect to the subject
12 matter of their Released Claims, but stipulate and agree that the Class Members,
13 upon the Effective Date, fully, finally and forever settle and release any and all their
14 Released Claims, known or unknown, suspected or unsuspected, contingent or non-
15 contingent, whether or not concealed or hidden, which now exist, or heretofore have
16 existed upon any theory of law or equity and without regard to the subsequent
17 discovery or existence of such different or additional facts.

18 The Class Members are deemed by operation of the Order of Final Approval
19 to have agreed not to sue or otherwise make a claim against any of the Released
20 Parties for any of their Released Claims (i.e. Hourly Released Claims for Hourly
21 Employee Class Members, and Non-Hourly Released Claims for Non-Hourly
22 Employee Class Members).

23
24 **10.4 California Labor Code Section 206.5.** In connection with the above
25 Release, and in consideration of Defendant's payments of the sums provided herein,
26 each and every Hourly Employee who has not timely and validly opted out will be
27 deemed also to have acknowledged and agreed that California Labor Code Section
28 206.5 is not applicable to the Parties hereto or the them as a result of this stipulated

1 Settlement and compromise because for purposes of the Settlement only, the Parties
2 have agreed there is a good faith dispute as to whether any wages are due at all to
3 any Hourly Employee Class Member. Section 206.5 provides in pertinent part as
4 follows:

5 AN EMPLOYER SHALL NOT REQUIRE THE EXECUTION OF
6 A RELEASE OF A CLAIM OR RIGHT ON ACCOUNT OF
7 WAGES DUE, OR TO BECOME DUE, OR MADE AS AN
8 ADVANCE ON WAGES TO BE EARNED, UNLESS PAYMENT
9 OF THOSE WAGES HAS BEEN MADE.

10 **10.5 Claims By Participating Class Members Based on Stipulation.** In
11 addition to the terms of the Release outlined above, no Class Member will have any
12 claim against any of the Released Parties, the Defendant's counsel, the Class
13 Representative, any other Class Member, or Class Counsel, based on errors in
14 administering claims or performing the mailing or skip-tracing requirements under
15 this Stipulation.

16 **11. MOTION FOR COURT APPROVAL**

17 11.1 Promptly after the execution of this Stipulation, Class Counsel shall
18 submit to the Court: (a) a fully executed copy of this Stipulation; (b) a noticed
19 motion seeking the Court's preliminary approval of this Settlement; (c) a proposed
20 order granting such preliminary approval and setting hearing for final approval; and
21 (d) any other documents consistent with the Settlement reasonably necessary to
22 obtain the Court's approval of the Settlement. The Parties will ask the Court to
23 maintain jurisdiction of this matter for the purpose of monitoring compliance with
24 and performance under this Stipulation and any and all orders and judgments,
25 including the Final Judgment, entered by the Court. The Parties will also ask the
26 Court to stay the Lawsuit, including all pending litigation and discovery activity, all
27 pending deadlines, and all Court proceedings in the Lawsuit, other than a Motion For
28 Preliminary Approval of the Settlement, a Motion for Final Approval of the

1 Settlement, a Motion for Attorneys' Fees, or any other Order necessary to enforce
2 the terms of this Settlement, until the earlier of: (a) the date of Final Judgment; (b)
3 the date upon which Defendant exercises its right to revoke certification; or (c) the
4 date the Court denies a motion for preliminary approval with prejudice or a motion
5 for final approval with prejudice.

6 11.2 The Parties shall request that a Final Approval Hearing be set within a
7 reasonable time after the last day of the Notice Period.

8 11.3 No later than (28) calendar days before the Final Approval Hearing, the
9 Claims Administrator shall provide Class Counsel and counsel for Defendant with a
10 "declaration of compliance" with the terms of this Settlement to be filed with the
11 Court by Class Counsel.

12 11.4 No later than 14 calendar days before the Final Approval Hearing, Class
13 Counsel shall file a Motion for Final Approval, Memorandum of Points and
14 Authorities in Support of the Settlement, and any other documents reasonably
15 necessary to obtain the Court's approval of the Settlement.

16 11.5 Upon final approval of the Settlement by the Court at or after the Final
17 Approval/Settlement Fairness Hearing, the Parties shall present the Final Judgment
18 to the Court for its approval. After entry of the Final Judgment, the Court shall have
19 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and
20 enforcement of the terms of the Settlement; (ii) Settlement administration matters;
21 and (iii) such post-Final Judgment matters as may be appropriate under court rules or
22 as set forth in this Agreement.

23 **12. MISCELLANEOUS PROVISIONS**

24 12.1 All of the Parties have been represented by counsel throughout all
25 negotiations that preceded the execution of this Stipulation, and this Stipulation is
26 made with the consent and advice of counsel.

27 12.2 This Stipulation may not be modified or amended, except in a
28 writing that is signed by the respective counsel of record for the Parties and approved

1 by the Court.

2 12.3 This Stipulation and the exhibits attached hereto constitute the entire
3 agreement between the Parties concerning the subject matter hereof, and supersede
4 and replace all prior negotiations, understandings, memoranda of understanding and
5 proposed agreements, written and oral, relating thereto. No extrinsic oral or written
6 representations or terms shall modify, vary or contradict the terms of the Stipulation
7 unless made in writing and signed by duly authorized representatives of all Parties
8 and approved in writing by a final order of the Court. No waiver of any term,
9 provision or condition of this Agreement, whether by conduct or otherwise, in any
10 one or more instance shall be deemed to be or construed as a further or continuing
11 waiver of any such term, provision or condition. The Parties and their respective
12 counsel all participated in the negotiation and drafting of this Stipulation and
13 Settlement and had available to them the advice and assistance of independent
14 counsel. Thus, no Class Member may claim that any ambiguity in this Stipulation or
15 Settlement should be construed against Defendant.

16 12.4 This Stipulation shall be subject to, governed by, construed, enforced,
17 and administered in accordance with the laws of the State of California, without
18 giving effect to the principles of conflict of laws, both in its procedural and
19 substantive aspects, and shall be subject to the continuing jurisdiction of the Court.
20 This Stipulation shall be construed as a whole according to its fair meaning and
21 intent, and not strictly for or against any Party, regardless of who drafted or who was
22 principally responsible for drafting this Stipulation or any specific term or condition
23 thereof.

24 12.5 This Stipulation may be executed in one or more counterparts, each of
25 which shall be deemed an original and together shall constitute one and the same
26 instrument. When each of the Parties has signed at least one such counterpart, this
27 Stipulation shall become effective and binding as to all of the Parties as of the day
28 and year last written. Fax signatures shall be deemed as effective as originals.

1 12.6 Except as specifically provided herein, the Parties hereto will bear
2 responsibility for their own attorneys' fees and costs, taxable or otherwise, incurred
3 by them or arising out of this Lawsuit, and will not seek reimbursement thereof from
4 any Party to this Settlement Agreement. In the event that legal action arises out of
5 this Stipulation or is necessary to enforce any of the terms or provisions of this
6 Stipulation, the prevailing party in the action shall be entitled to recover its
7 reasonable attorneys' fees and costs.

8 12.7 The Parties and their counsel agree that they will not issue any press
9 releases or press statements, post any internet disclosures, have any communications
10 with the press or media about the Lawsuit or this Stipulation, or otherwise publicize
11 the terms of this Settlement. Notwithstanding the foregoing: (a) Class Counsel shall
12 be allowed to refer to the Settlement in support of other court filings in other
13 litigation; and (b) the Parties shall have the right to disclose the Settlement as may be
14 required under federal or state tax and/or securities laws or under generally accepted
15 accounting principles; and (c) the Parties shall have the right to disclose the
16 Settlement to third parties without identifying the case name, case number, names of
17 any of the parties, or the nature of Defendant's industry in any fashion other than
18 noting that Defendant conducts business in the "hospitality industry."

19 12.8 Each individual signing this Stipulation warrants that he or she has the
20 authority and is expressly authorized to enter into this Stipulation on behalf of the
21 party for which that individual signs.

22 12.9 The Settlement shall be binding upon and inure to the benefit of the
23 settling parties' respective successors, assigns, heirs, spouses, marital communities,
24 executors, administrators and legal representatives.

25 12.10 This Stipulation of Settlement, any and all proceedings or documents
26 arising out of or relating thereto shall not be construed as an admission of the truth of
27 any allegation or the validity of any claim asserted or of any liability, nor shall this
28 Stipulation, the Settlement contained herein, nor any papers arising out of or relating

1 thereto be offered or received in evidence or in any way referred to in any civil or
2 administrative proceeding other than such proceedings as may be necessary to
3 approve or enforce this Stipulation. The Class Members are deemed by operation of
4 the order of final approval of the Settlement to represent, covenant and warrant that
5 they have not directly or indirectly assigned, transferred, encumbered, or purported
6 to assign, transfer, or encumber to any person or entity any portion of any liability,
7 claim, demand, cause of action or rights herein released and discharged.

8 12.11 Even after the Order of Final Judgment and notwithstanding it, this
9 Court will have and retain continuing jurisdiction over the Lawsuit and over all
10 Parties and Class Members, to the fullest extent necessary or convenient to enforce
11 and effectuate the terms and intent of this Settlement and all matters provided for in
12 it, and to interpret it.

13 12.12 The absolute maximum amount of money to be paid by the Company
14 under this Settlement is, in the aggregate (irrespective of how or to whom such
15 monies are distributed) is \$900,000, plus the Company's tax liability with respect to
16 the payments described in this Stipulation. It is understood and agreed that,
17 irrespective of any other circumstances, in no event will the Company be obligated
18 to pay more than \$900,000, plus the Company's tax liability with respect to the
19 payments described in this Stipulation.

20 **13. COOPERATION**

21 The Parties shall cooperate fully with one another in seeking approval of the
22 Court of this Stipulation (including all exhibits thereto) and to use their respective
23 best efforts to consummate the Settlement and cause the Judgment to be entered and
24 to become final. No Party to this Stipulation shall seek to evade his, her or its good
25 faith obligations to seek approval and implementation of this Settlement by virtue of
26 any ruling, order, governmental report or other development, whether in the Lawsuit,
27 in any other litigation or otherwise that hereafter might occur and might be deemed
28 to alter the relative strengths of the Parties with respect to any claims or defenses or

1 their relative bargaining power with respect to negotiating. The Parties and their
2 respective counsel of record deem this Settlement to be fair and reasonable and have
3 arrived at this Settlement in arms-length negotiations taking into account all relevant
4 factors, present or potential.

5 IN WITNESS WHEREOF, each of the undersigned has agreed to and
6 accepted the foregoing terms and conditions by executing this Stipulation as of the
7 date indicated below.

8
9 IT IS SO AGREED

10 Dated: 2.24.15

SERGIO PERALTA

Sergio

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13 Dated: _____

THE DENTE LAW FIRM

Matthew S. Dente,
Attorneys for Plaintiff Sergio Peralta

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ROBBINS ARROYO LLP

Diane E. Richard,
Attorneys for Plaintiff Sergio Peralta

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LQ MANAGEMENT LLC

Name _____

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IT IS SO AGREED

Dated: _____

SERGIO PERALTA

Dated: 2/24/15

THE DENTE LAW FIRM



Matthew S. Dente,
Attorneys for Plaintiff Sergio Peralta

Dated: 2/24/15

ROBBINS ARROYO LLP



Diane E. Richard,
Attorneys for Plaintiff Sergio Peralta

Dated: _____

LQ MANAGEMENT LLC

Name _____

Title _____

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10 Dated: _____ SERGIO PERALTA
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13 Dated: _____ THE DENTE LAW FIRM
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15 Matthew S. Dente,
16 Attorneys for Plaintiff Sergio Peralta
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18 Dated: _____ ROBBINS ARROYO LLP
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20 Diane E. Richard,
21 Attorneys for Plaintiff Sergio Peralta
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23 Dated: 2-24-15 LQ MANAGEMENT LLC
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Dated: 2-24-15

Title EVP & General Counsel

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

Christopher W Decker

Christopher W. Decker,
Attorneys for Defendant LQ
Management LLC

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EXHIBIT A

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 [DATE OF PRELIMINARY APPROVAL], 2015, WERE EMPLOYED BY LQ MANAGEMENT L.L.C. IN CALIFORNIA.

PLEASE READ THIS NOTICE CAREFULLY. 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 [DATE OF PRELIMINARY APPROVAL] ("Class Members").