

**IN THE SUPERIOR COURT OF THE STATE CALIFORNIA
FOR THE COUNTY OF SANTA BARBARA – SANTA MARIA**

FLOSSIE FUEGOS, individually, LORENA PEGUEROS,
individually, and on behalf of all others similarly situated;

vs.

LOMPOC INVESTMENTS INC, a California Corporation,
SHAILESHJUMAR MANGALBHAI PATEL, DOES 1 through
20, inclusive.

CASE NO. 19CV03774

**NOTICE OF CLASS ACTION AND
PROPOSED SETTLEMENT**

TO: All individuals who were employed as non-exempt employees by Defendants in California during the period from May 26, 2017 through February 11, 2021.

**IF YOU ARE A MEMBER OF THIS CLASS OF PERSONS, YOU SHOULD READ THIS NOTICE CAREFULLY BECAUSE IT
WILL AFFECT YOUR LEGAL RIGHTS AND OBLIGATIONS**

A settlement (“Settlement”) has been proposed in the lawsuit referenced above, pending in Santa Barbara County Superior Court – Santa Maria (“Court”) titled *Fuegos v. Lompoc Investments, et al.*, Case No. 19CV03774 (the “Case.”) If the Court gives final approval to the Settlement, Defendants Lompoc Investments, et al., dba Red Roof Inn (“Defendant”) will provide each Class Member a payment calculated, in part, based on the number of weeks worked by each Class Member as set forth in this notice.

Here is a summary of your rights and options; they are described in more detail later in this document. If you have any questions, please contact the *Fuegos v. Lompoc Investments Inc Settlement*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA. 92606, 1-(888) 413-2862.

YOUR NUMBER OF CREDITED WORKWEEKS IS «Workweeks».

1. SETTLEMENT CLASS MEMBER INFORMATION

CPT ID: «ID»

«EmployeeName»

«Address1» «Address2»

«City», «State» «Zip»

Please make any Name or Address Corrections Below:

2. GENERAL INFORMATION

The Santa Barbara County Superior Court – Santa Maria preliminarily approved a settlement of the class action claims asserted in *Fuegos v. Lompoc Investments, Inc.*, Case No. 19CV03774 (the “Case”). If you were employed at Lompoc Investments (dba Red Roof Inn) in California as a non-exempt hourly employee at any time between May 26, 2017 to February 11, 2021, you are eligible to receive payment from the Settlement.

3. YOUR ESTIMATED PAYMENT INFORMATION

According to Lompoc Investments Inc.’s payroll records, you are a Settlement Class Member who worked approximately «Workweeks» Workweeks as a non-exempt employee in California during the Class Period. The Class period is May 26, 2017 to February 11, 2021. Based on information currently available we estimate your total share of the Settlement will be approximately «EstAmount». This is only an estimate. The amount you ultimately receive as part of the Settlement may increase or decrease in accordance with the terms of the Settlement and the Court’s orders.

Defendants respect your right to participate in this Settlement and will take no adverse action against you should you accept payment under the Settlement

If you believe that the number of Workweeks with which you have been credited is incorrect, you must contact the Settlement Administrator and state that you wish to dispute the number of credited Workweeks in writing by postmarking it or submitting it electronically by May 3, 2021. Alternatively, you may send a written dispute form to the Settlement Administrator by facsimile to 1-(949) 419-3446, or by e-mail to FuegosVLompoc@cptgroup.com. You must state what you believe is incorrect in your communication. You must also send any documents or other information that you believe supports your contention that the information set forth above is inaccurate. The Settlement Administrator will resolve any

dispute based upon Defendants' records and any information you provide. Please be advised that the information in this Notice is presumed to be correct unless the documents you submit are company records from Defendant.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT		
GET A PAYMENT	If you do nothing, you will automatically receive a payment if the Settlement is finally approved by Court.	
COMPLETE A WORKWEEK DISPUTE FORM	If you believe that the number of Workweeks with which you have been credited is incorrect, you must complete and submit your dispute, along with any records you believe support your workweek calculation, to the Settlement Administrator. Detailed instructions for this option are set forth in Section 10 below.	Deadline: May 3, 2021
EXCLUDE YOURSELF	If you wish to exclude yourself from the Settlement, you must submit to the Settlement Administrator a valid Request for Exclusion. If you exclude yourself from the Settlement, you will not receive a payment under the Settlement. Excluding yourself is the only option that allows you to bring or maintain your own lawsuit against Lompoc Investments Inc, et al. regarding the allegations in the Case. Detailed instructions for this option are set forth in Section 17 below.	Deadline: May 3, 2021
OBJECT	If you wish to object to the Settlement, you must submit your objections (i.e., why you do not believe the Settlement is fair or adequate) to the Settlement Administrator. Submitting an objection does not exclude you from the Settlement. Detailed instructions for this option are set forth in Section 18 below.	Deadline: May 3, 2021
GO TO THE "FAIRNESS HEARING"	<p>The Court will hold a "Fairness Hearing" to consider the Settlement, the request for attorneys' fees and costs by the attorneys representing the Class in the Case, and the Representative Plaintiffs' request for an enhancement award for bringing and maintaining this action.</p> <p>You may, but are not required to, speak at the Fairness Hearing about any objection to the Settlement that you submitted. If you intend to speak at the Fairness Hearing, you must also provide a "Notice of Intention to Appear," indicating your intention to do so.</p>	Hearing Date: May 20, 2021 at 8:30 a.m., Dept. 4

The Court in charge of this Case has preliminarily approved the Settlement and must decide whether to give final approval to the Settlement. The relief provided to Class Members will only be provided if the Court gives final approval to the Settlement, and if there are any appeals, after the appeals are resolved in favor of the Settlement. ***Please be patient.***

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BACKGROUND INFORMATION

1. Why did I receive this notice?

You received this Notice because a Settlement has been reached in this Case. According to Lompoc Investment Inc.'s available records you are a member of the Settlement Class and may be eligible for the relief detailed below.

This Notice explains the nature of the Case, the general terms of the proposed Settlement, and your legal rights and obligations. To obtain more information about the Settlement, including information about how you can see a copy of the Settlement Agreement, see Section 23 below.

2. What is this lawsuit about?

The Case alleges that with respect to its non-exempt employees, Lompoc Investments Inc., et al.: (1) failed to pay overtime wages; (2) failed to pay employees minimum wages; (3) failed to provide meal period and failed to pay one hour of pay at the employee's regular rate of compensation for each workday that the meal break period was not provided; (4) failed to authorize and permit rest periods and failed to pay one hour of pay at the employee's regular rate of compensation for each workday that the rest break period was not provided ; (5) failed to furnish accurate itemized wage statements; (6) failed to maintain all required records; (7) failed to pay all earned wages; (8) failed to pay all earned wages upon termination; (9) engaged in unfair competition in violation of Business & Professions Code Section 17200; and (10) is subject to penalties pursuant to the Private Attorneys General Act ("PAGA").

Lompoc Investments Inc. denies Plaintiff's allegations in their entirety. Lompoc Investments Inc. contends that it complied with California law, including providing employees with compliant meal and rest periods, paying for all time worked, including overtime, and providing compliant wage statements. Lompoc Investments Inc. contends that its affirmative defenses to this action may otherwise prevent or limit Plaintiff's class claims.

The issuance of this Notice is not an expression of the Court's opinion on the merits or the lack of merits of the Representative Plaintiff's claims in the Case.

For information about how to learn about what has happened in this Case to date, please see Section 23 below.

3. Why is this a class action?

In a class action lawsuit, one or more people called "Representative Plaintiffs" (in this case, Flossie Fuegos and Lorena Pegueros) sue on behalf of other people who allegedly have similar claims. For purposes of this proposed Settlement, one court will resolve the issues for all Class Members. The company sued in this case, Lompoc Investments Inc., Shaileshkumar Mangalbhay Patel are called the Defendants.

4. Why is there a settlement?

The Representative Plaintiffs have made claims against Defendants. Defendants deny that they have done anything wrong or illegal and admit no liability. **The Court has not decided that the Representative Plaintiffs or the Defendants should win in this Case. Instead both sides agreed to a Settlement.** That way, both sides avoid the cost of a trial, and the Class Members will receive payment now rather than years from now, if at all.

5. How do I know if I am part of the Settlement?

The Court has decided that everyone who fits the following description is a Class Member for purposes of the proposed Settlement: "All current and former non-exempt employees employed by Defendants in California during the period from May 26, 2017 and the date of preliminary approval of the settlement in the Lawsuit."

6. I'm still not sure if I am included.

If you are still not sure whether you are included, you can write to the Settlement Administrator for help. The address for the Settlement Administrator is CPT Group, 50 Corporate Park, Irvine, CA. 92606.

THE PROPOSED SETTLEMENT

7. What relief does the Settlement provide to the Class Members?

Defendant has agreed to fund a settlement with a maximum value of \$140,000. This settlement amount will be used to pay the claims of the Class Members, and the following amounts requested by Plaintiffs and subject to Court approval: the cost of providing notice to the Class and administering the Settlement (up to \$8,000); to pay any awards by the Court for attorneys' fees (up to \$46,666) and costs (up to \$8,500) to Plaintiff's counsel; and any enhancement award the Court awards to the Representative Plaintiffs (up to \$5,000 each). The estimated Net Settlement Amount to be used to pay the claims of Class Members is approximately \$61,209.00.

Your estimated Settlement Payment is stated on page 1 of this Notice Your estimated payment was calculated using Defendant's payroll and employee records. Individual Settlement Payments will be calculated and apportioned as follows:

- (a) The "Net Settlement Amount" shall be calculated by subtracting the payments to Class Counsel, the Representative Plaintiffs, and the Settlement Administrator, from the Gross Settlement Amount.
- (b) The Net Settlement Amount will be divided up and paid to Participating Class Members on a pro-rata basis based on each Participating Class Member's total number of "Individual Workweeks" divided by the aggregate Individual Workweeks of all Participating Class Members according to the following formula:
 1. For each Participating Class Member, Defendants will calculate the total number of weeks that the individual worked for Defendants during the Class Period.
 2. The "Individual Settlement Payment" for each Participating Class Member will equal the individual's Individual Workweeks divided by the aggregate Individual Workweeks for all Participating Class Members multiplied by the Net Settlement Amount.
- (c) For tax purposes, one-third of each Participating Class Member's Individual Settlement Payment shall be treated as wages, with the other two-thirds being treated as penalties and interest, and will not be subject to withholdings. For the one-third of the Individual Settlement Payment that is treated as wages, this amount shall be reported on an IRS form W-2, and the Settlement Administrator shall withhold funds necessary to pay state and federal taxes and for any other applicable payroll tax deductions owed by the Settlement Class Member. Defendants' contribution for FICA and/or FUTA shall be determined and paid by the Settlement Administrator out of the Gross Settlement.

PAYMENT TO THE CLASS

8. How can I get a payment?

If you wish to remain a Settlement Class Member and obtain any share of the Settlement to which you may be entitled, then you do not have to do anything and you will automatically receive a settlement payment in the mail if the Court approves the proposed Settlement. You are not required to go to court or pay anything to the lawyers in this case. The Settlement Payment you will receive will be a full and final settlement of your Released Claims described below.

9. When will I get a payment?

As described in Sections 20 and 21, the Court will hold a hearing on May 20, 2021 to decide whether to approve the Settlement. If the Court approves the Settlement, after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. You can check the status of the Case by going to the Settlement website at www.cptgroupcaseinfo.com/LompocSettlement. *Please be patient.*

10. What if I disagree with Defendants' calculation regarding my estimated settlement payment?

If you believe that the number of Workweeks with which you have been credited is incorrect, you may produce evidence to the Settlement Administrator by May 3, 2021 showing that such information is inaccurate. The Settlement Administrator shall then decide the dispute between your calculation and that of Defendant. Defendant's records will be presumed to be correct, but the Settlement Administrator will evaluate the evidence submitted by you and will make the final decision as to the merits of the dispute. You can submit the Workweek Dispute Form by mail to the Settlement Administrator at Fuegos v. Lompoc Investments Inc., c/o CPT Group, Inc. at 50 Corporate Park, Irvine, CA. 92606. Alternatively, you may submit your dispute form via facsimile to 1-(949) 419-3446, or you can submit your dispute to the Settlement Administrator via e-mail to the following e-mail address: FuegosVLompoc@cptgroup.com.

11. If I receive a settlement payment will I have to pay taxes on it?

One third (33.33%) of your Individual Settlement Payment will be considered to be wages and will be reported on IRS Form W-2 and/or the California state equivalent with all appropriate taxes withheld; two-thirds (66.67%) of your Individual Settlement Payment (for interests and penalties) will be reported on IRS Form 1099. You should consult with a tax professional for more information about your own specific situation.

12. No retaliation or discrimination.

Defendant respects your right to participate in this lawsuit and will take no adverse action against you should you accept payment under the Settlement.

THE LAWYERS IN THIS CASE AND THE REPRESENTATIVE PLAINTIFF

13. Do I have a lawyer in this case?

The Court has preliminarily approved the law firm of Makarem & Associates, ALPC ("Class Counsel") to represent the interests of all Class Members. You will not be separately charged for these lawyers. If you have a question about the settlement, you may contact Class Counsel by writing to them at 11601 Wilshire Boulevard, Suite 2440, Los Angeles, California 90025, by emailing them at stewart@law-rm.com, or by calling them at (310) 312-0299. If you want you be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Defendant has agreed to pay Class Counsel's attorney's fees up to \$46,666.66 and costs of up to \$8,500 for their services in litigating the Case, subject to approval by the Court. You will not be required to pay any attorneys' fees or costs.

15. Will the Representative Plaintiff receive any compensation for his efforts in bringing and maintaining this Case?

The Representative Plaintiffs will request an enhancement award of up to \$5,000 each for their services as class representative and his efforts in bringing and maintaining this action. The Court will make the final decision as to the amount to be paid to the Representative Plaintiffs.

RELEASE OF ALL CLAIMS

16. What am I giving up to obtain relief under the Settlement?

If the Court approves the proposed Settlement, unless you exclude yourself from the Settlement, you will be releasing your claims against Defendant. Specifically, you will release the Releasees from all known and unknown claims, statutory penalties, civil penalties, damages, putative damages, losses, debts, remedies of any kind, liabilities, liquidated damages, demands, obligations, costs, expenses, attorneys' fees, interest, actions or causes of action, contingent or accrued, which are set forth in the Complaint, which arise from or relate to the allegations asserted in the Complaint, or which could have been asserted based on the allegations in the Complaint, including claims for unpaid prevailing wages, failure to provide compliant meal periods, failure to authorize and permit compliant rest periods, failure to provide accurate and complete itemized wage statements, failure to pay all minimum and overtime wages, failure to pay all wages due at termination, claims for violations of California Labor Code sections 201-204, 226, 226.7, 510, 512., 558, 1174, 1174.5 1194, 1197, 1197.1, 2699, 2802, 2926, 2927, and violations of Business and Professions Code sections 17200, *et seq.* All of the foregoing is collectively referred to as the "Released Claims."

The Settlement Agreement, which is available online at www.cptgroupcaseinfo.com/LompocSettlement, contains the full terms of the release.

HOW TO EXCLUDE YOURSELF FROM THE SETTLEMENT

17. How do I exclude myself from the Settlement?

You may exclude yourself from the Class and the Settlement. If you want to be excluded, you must fill out and send a Request for Exclusion via U.S. Mail or other delivery service that states: (a) the case number of the Case "*Fuegos v. Lompoc Investments, Inc., et al.*, Case No. 19CV03774"; (b) your full name, address, and telephone number; and (c) a statement that you do not wish to participate in the Settlement. You must sign the letter or postcard for it to be valid. The letter or postcard must be sent (i.e., postmarked or delivery date stamped) no later than May 3, 2021, and sent to the Settlement Administrator at: Fuegos v. Lompoc Investments, Inc. Settlement Administration, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA. 92606. You may also fax the letter or postcard to the Settlement Administrator at 1-(949) 419-3446 or submit it to the Settlement Administrator via e-mail to FuegosVLompoc@cptgroup.com.

If you timely request exclusion from the Class, you will be excluded from the Class, you will not be bound by the judgment entered in the Case, and you will not be precluded from prosecuting any timely individual claim against Defendants based on the conduct complained off in the Case.

HOW TO OBJECT TO THE SETTLEMENT

18. How do I tell the Court that I do not like the Settlement?

At the date, time and location stated in Section 21 below, the Court will hold a Fairness Hearing to determine if the Settlement is fair, reasonable, and adequate, and also to consider Class Counsel's request for an award of attorneys' fees and costs, and the enhancement award for the Representative Plaintiff.

If you wish to object to the fairness, reasonableness, or adequacy of the Settlement Agreement or the proposed Settlement, you must submit via U.S. Mail or other delivery service a valid, written Objection to the Class Administrator at the address set forth below by no later than (i.e. postmarked or delivery date stamped by) May 3, 2021.

Fuegos v. Lompoc Investments, Inc.
SETTLEMENT ADMINISTRATOR
 c/o CPT GROUP, INC.
 50 Corporate Park, Irvine, CA. 92606

To be valid, any objection must: (a) state the case number of the Case "*Fuegos v. Lompoc Investments, Inc. et al.*, Case No. 19CV03774"; (b) state your full name, address, telephone number, and dates of employment with Defendant; (c) state your objection to the settlement and the legal and/or factual arguments supporting the objection; (d) be submitted to the Settlement Administrator via U.S. Mail or other delivery service with proof of submission date (such as a U.S. Postal Service postmark or other delivery service date state stamp no later than May 3, 2021. You may, but need not, submit your objection through counsel of your choice. If you make your objection through counsel, you will be responsible for your attorneys' fees and costs.

If you wish to appear at the Fairness Hearing to object to the Settlement, either in person or through personal counsel hired at your expense, you may do so, whether or not you submit a timely written objection.

IF YOU DO NOT TIMELY MAKE YOUR OBJECTION, EITHER BY SUBMITTING A WRITTEN OBJECTION OR APPEARING IN PERSON OR THROUGH PERSONAL COUNSEL AT THE FINAL FAIRNESS HEARING, YOU WILL BE DEEMED TO HAVE WAIVED ALL OBJECTIONS.

19. What is the difference between excluding myself and objecting to the Settlement?

Objecting is telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you don't want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

FAIRNESS HEARING

20. What is the Fairness Hearing?

The Court has preliminarily approved the Settlement, meaning only that it concluded that there is sufficient evidence to suggest that the Agreement falls within the range of possible approval as fair, reasonable, and adequate, and that the final determination of these issues will be made at the Fairness Hearing. The purpose of the Fairness Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, and adequate, and in the best interests of the Settlement Class; to consider the award of attorneys' fees and expenses to Class Counsel' and to consider the request for an enhancement award for the Representative Plaintiff.

21. When and where is the Fairness Hearing?

On May 20, 2021, at 8:30 a.m., a hearing will be held on the fairness of the proposed Settlement. At the hearing, the Court will be available to hear any objections and arguments concerning the proposed Settlement's fairness. The hearing will take place before the Honorable Jed Beebe in Department 4 of the California Superior Court, for the County of Santa Barbara – Santa Maria 312 E. Cook Street, C, Santa Maria, CA. 93454. The hearing may be postponed to a different date, time or location without notice.

22. May I speak at the hearing?

At the hearing, the Court will be available to hear any objections and arguments concerning the fairness of the Settlement. You may attend, but you do not have to.

ADDITIONAL INFORMATION

23. How do I get more information?

To see a copy of the Settlement Agreement, the Court's Preliminary Approval Order, and/or the operative complaint filed in the Case, please visit the Settlement website at www.cptgroupcaseinfo.com/LompocSettlement. Alternatively, you may contact the Settlement Administrator at the postal mailing address: Fuegos v. Lompoc Investments Inc. Settlement Administration, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA. 92606.

24. What if my address or other information has changed?

It is your responsibility to inform the Settlement Administrator of your updated information. You may make corrections to your address by sending in the Workweek Dispute Form. Alternatively, you may contact the Settlement Administrator at: Fuegos v. Lompoc Investments Inc. Settlement Administration, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA. 92606.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE.