

## **CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE**

This Class Action Settlement and Release (“Agreement”) is made and entered into by, between, and among Plaintiff Baikuntha Khanal (“Plaintiff”), individually and on behalf of the Settlement Class Members (as defined below) and Hilton Management LLC on behalf of Hilton Worldwide, Inc. (erroneously sued as “San Francisco Hilton, Inc.”) (“Hilton”) (collectively, the “Parties”). The Parties enter into this Agreement to effect a full and final settlement and preclusive judgment (“Settlement”) resolving all claims brought or that could have been brought against Hilton in the civil action entitled *Gonzalez, et al. [previously Khanal et al.] v. San Francisco Hilton, Inc.*, Case No. 4:14-cv-01523-JSW, pending in the Northern District of California (the “Action”). This Agreement is intended to fully and finally compromise, resolve, discharge, and settle the Released Claims (as defined below) on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

### **1. BACKGROUND**

1.1. On January 6, 2014, a group of current and former Banquet bussers and servers at the Hilton San Francisco Union Square filed the original complaint in the Action in the Superior Court of California, County of San Francisco against defendants Hilton Worldwide, Inc., S.F. Hilton LLC, and Does 1-10, inclusive, alleging three causes of action, including: (1) violation of California Labor Code §§ 203 and 204b; (2) violation of California Labor Code § 226; and (3) violation of California Unfair Competition Law, California Business and Professions Code § 17200, *et seq.*

1.2. On April 2, 2014, Hilton removed the case to the United States District Court for the Northern District of California.

1.3. On April 28, 2014, plaintiffs retained new counsel and filed an amended complaint alleging a single cause of action for a violation of California Labor Code § 351, enforced through the California Unfair Competition Law, California Business and Professions Code § 17200, *et seq.*

1.4. Following briefing, the Court dismissed the case on the ground that the claims were preempted under federal law. The Ninth Circuit reversed in *Baikuntha Khanal v. San Francisco Hilton, Inc.*, 681 F. App’x 624 (9th Cir. 2017).

1.5. Following remand from the Ninth Circuit, the case was stayed pending a ruling by the California Court of Appeal in *O’Grady v. Merchant Exchange Products, Inc.*, 41 Cal. App. 5th 771 (2019).

1.6. The stay was lifted on September 24, 2020, and after the parties had conducted some initial discovery, on January 3, 2022, the Court certified a class of “All non-managerial Banquet department servers and bussers who were employed at Defendant San Francisco Hilton between January 6, 2010 and the present and who have received a portion of the food and beverage service charge for banquet events.”

1.7. Following further discovery, the Court denied Defendant’s motion to decertify the class and the Ninth Circuit denied Defendant’s petition for interlocutory appeal.

1.8. Hilton denies the allegations in the Action; denies that it has engaged in any wrongdoing; denies that Plaintiff's allegations constitute valid claims; denies that the litigation class was properly certified in the Action; and states that it is entering into this Agreement solely to eliminate the burden, expense, and delay of further litigation, and on the express conditions that (a) if for any reason the Settlement is not finalized according to the terms of this Agreement, the Settlement and the documents generated as a result of the Settlement shall not be usable for any purpose in the Action, and (b) this Settlement and the documents generated as a result of the Settlement are not admissible or usable in any other civil or administrative proceeding or any arbitration, except to the extent necessary to enforce this Settlement and the orders, judgments, and agreements arising from this Settlement.

1.9. A *bona fide* dispute exists as to whether any amount of damages or penalties are due to Plaintiff and/or Settlement Class Members.

1.10. Throughout the course of the Action, and in preparation for mediation, the Parties engaged in formal and informal discovery, exchanging information and reviewing and analyzing data and documents made available by Hilton, which enabled Plaintiff and the mediator to thoroughly evaluate Plaintiff's claims and the claims of the Settlement Class Members, and the likely outcomes, risks, and expense of pursuing litigation.

1.11. On September 17, 2025, the Parties attended an in-person mediation session with experienced professional mediator Michael Loeb, Esq., during which the Parties discussed potential settlement terms at length before agreeing to the terms of this arm's-length Settlement.

1.12. As a result of the mediation and discussions thereafter, Plaintiff and Class Counsel (defined below) believe that the Settlement provides a favorable recovery for the Settlement Class, based on the claims asserted, the evidence developed, and the damages that might be proven against Hilton in the Action. Plaintiff and Class Counsel further recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Hilton through trial and appeals. They have considered the uncertain outcome and the risk of any litigation, especially in complex litigation such as the Action, as well as the difficulties and delays inherent in any such litigation. They are also mindful of the inherent challenges of proof and the strength of the defenses to the alleged claims, and therefore believe that it is desirable that the Released Claims be fully and finally compromised, settled, and resolved with prejudice as set forth herein, subject to the approval of the Court.

1.13. Plaintiff and Class Counsel, based on their own independent investigations and evaluations, have examined the benefits to be obtained under the terms of this Agreement, have considered the claims of Plaintiff, the claims of the average Settlement Class Member, the risks associated with continued prosecution of the Action, and the likelihood of success on the merits of the Action, and believe that, after considering all the circumstances, including the uncertainties surrounding the risk of further litigation and the defenses that Hilton has asserted and could assert, the proposed Settlement set forth in this Agreement is fair, reasonable, adequate, in the best interests of Plaintiff and the Settlement Class, and confers substantial benefits upon the Settlement Class.

1.14. Plaintiff warrants and represents that he is effecting this Settlement and executing

this Agreement after having received full legal advice as to his rights and had the opportunity to obtain independent counsel to review this Agreement.

1.15. The Parties further agree that the Agreement, the fact of this Settlement, any of the terms of this Agreement, and any documents filed in connection with the Settlement shall not constitute, or be offered, received, claimed, construed, or deemed as, an admission, finding, or evidence of: (i) any wrongdoing, (ii) any violation of any statute or law, (iii) any liability on the claims or allegations in the Action on the part of any Released Parties, or (iv) the propriety of certifying or maintaining a litigation class in the Action or any other proceeding, including but not limited to arbitrations, and/or other civil and/or administrative proceedings, other than a proceeding to enforce the terms of the Agreement.

1.16. The Parties desire to compromise and settle all issues and claims that have been, could have been, or should have been brought against Hilton and Released Parties in the Action, including all claims brought on a putative class basis in the Action.

## **2. DEFINITIONS**

2.1. “Class Counsel” means Lichten & Liss-Riordan, P.C.

2.2. “Class Counsel Award” means (i) attorneys’ fees for Class Counsel’s litigation and resolution of the Action, as awarded by the Court, which will be paid exclusively from the Gross Settlement Amount, and may not exceed 25% of the Gross Settlement Amount (equaling \$3,000,000) and (ii) all expenses and costs incurred by Class Counsel in litigation and resolution of the Action, not to exceed \$150,000, which will be paid exclusively from the Gross Settlement Amount.

2.3. “Class Information” means information regarding Settlement Class Members that Hilton will in good faith compile from its records and provide to the Settlement Administrator. Class Information shall include, if possible, for each Settlement Class Member: full name, last known mailing address, social security number, and the total service charges distributed to each Settlement Class Member during the Class Period. The Class Information will include Class Members’ last-known email addresses only to the extent that those addresses are located in Hilton’s centrally maintained HRIS system. Because Settlement Class Members’ private information is included in the Class Information, the Settlement Administrator shall maintain any Class Information received in confidence and shall use and disclose Class Information only for purposes of this Settlement and for no other purpose than the purpose described in Section 9, Plan of Allocation. Further, within the Settlement Administrator’s operations, access shall be limited to those personnel with a need to use the Class Information as part of the administration of the Settlement. The private information included in the Class Information (i.e., last known mailing address, any email address, and social security number) shall be shared with Class Counsel only to the extent necessary to respond to Class Members’ questions, objections, or opt out requests. Class Counsel shall maintain all Class Information it receives in confidence and shall use and disclose Class Information only for purposes of this Settlement and not for any other purpose.

2.4. “Class Notice” means the notice of class action settlement to be provided to Settlement Class Members, without material variation from the relevant portion of Exhibit A.

2.5. “Class Period” means the period of January 6, 2010 through the Preliminary Approval Date.

2.6. “Court” means the United States District Court for the Northern District of California.

2.7. “Class Dispute Resolution Fund” means the \$1,000,000 set aside from the Gross Settlement Amount to be used to resolve any bona fide disputes, challenges, or concerns that may arise from Settlement Class Members regarding the calculation and disbursement of Individual Settlement Payments according to the Plan of Allocation, as provided in Section 9.

2.8. “Effective Date” means one (1) business day after the Court’s Final Approval order and Judgment have both become final, which shall be the latest of the following dates, depending upon which is applicable: (i) in the event that any Settlement Class Member has filed an objection to the Settlement and appealed or sought review of the overruling of that objection, the date any appellate court has rendered a final ruling affirming the Court’s Final Approval of the Settlement without material modification and the time to seek further appellate review has passed without the filing of a further request for appeal or review; (ii) in the event that any Settlement Class Member has filed an objection to the Settlement, the date that the deadline for seeking appellate review of the Court’s Final Approval of the Settlement has passed without the filing of a timely appeal or timely request for review; or (iii) in the event that no Settlement Class Member has filed an objection to the Settlement, the date the Court enters its Final Approval order and Judgment and the time for seeking appeal is fully exhausted with no appeal having been filed. The Parties waive their rights to bring an appeal relating to this Settlement.

2.9. “Estimated Individual Settlement Payment” means the amount allocated to each Settlement Class Member under the Plan of Allocation set forth in Section 9.

2.10. “Final Approval” means the Court’s entry of an order finally approving this Settlement.

2.11. “Final Approval Hearing” means the hearing at or after which the Court will make a final decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, finally approved by the Court.

2.12. “Gross Settlement Amount” means the amount of Twelve Million Dollars and Zero Cents (\$12,000,000).

2.13. “Individual Settlement Payment” means the amount payable to each Settlement Class Member from the Net Settlement Amount.

2.14. “Judgment” means the judgment to be entered in the Action upon Final Approval of this Settlement.

2.15. “Legally Authorized Representatives” means an administrator/administratrix, personal representative, or executor/executrix of a deceased Settlement Class Member’s estate; a guardian, conservator, or next friend of an incapacitated Settlement Class Member; or any other legally appointed person responsible for handling the business affairs of a Settlement Class

Member.

2.16. “Net Settlement Amount” means the Gross Settlement Amount less the following payments in the amounts approved by the Court: Class Counsel Award, Service Awards, Settlement Administration Expenses, Class Dispute Resolution Fund and Opt-Out Dispute Resolution Fund.

2.17. “Opt-Out List” means the Court-approved list of all persons who timely and properly request exclusion from the Settlement Class.

2.18. “Preliminary Approval Date” means the date that the Court enters the Preliminary Approval Order and thus: (i) preliminarily approves the Settlement, and the exhibits attached thereto, and (ii) enters an order providing for notice to the Settlement Class, an opportunity to opt out of the Settlement Class, and an opportunity to submit timely and proper objections to the Settlement, and setting a hearing on the fairness of the terms of Settlement, including approval of the Class Counsel Award and Service Awards.

2.19. “Preliminary Approval Hearing” means the hearing at or after which the Court will make a preliminary decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, preliminarily approved by the Court.

2.20. “Preliminary Approval Order” means the order that Plaintiff and Hilton will seek from the Court. Entry of the Preliminary Approval Order shall constitute preliminary approval of the Agreement.

2.21. “Released Claims” means the claims described in Paragraph 8.1.

2.22. “Released Parties” means the parties described in Paragraph 8.1.

2.23. “Opt-Out Dispute Resolution Fund” means the total Estimated Individual Settlement Payments of the Settlement Class Members on the Opt-Out List which shall be retained in a separate fund for Defendant’s use to facilitate the resolution of the claims of the Settlement Class Members on the Opt-Out List.

2.24. “Service Award” means the amount approved by the Court to be paid to the Plaintiff in addition to his Individual Settlement Payment, in recognition of his efforts in litigating the case on behalf of other employees, and as consideration for a full, general, and comprehensive release. The Service Award shall come exclusively from the Gross Settlement Amount and is not to exceed \$20,000.

2.25. “Settlement Administrator” means Analytics.

2.26. “Settlement Administrator Expenses” means the amount to be paid to the Settlement Administrator exclusively from the Gross Settlement Amount, including the total costs, expenses, and fees of the Settlement Administrator, including any and all costs associated with the distribution of Class Notices and Class Action Fairness Act notices and the creation and administration of the Settlement Fund. This amount is not to exceed \$50,000.

2.27. “Settlement Class Members” means all non-managerial Banquet department

servers and bussers who were employed at Defendant San Francisco Union Square Hilton during the Class Period and who have received a portion of the food and beverage service charge for banquet events.

2.28. “Third Amended Complaint” means the draft Complaint attached hereto as Exhibit B.

2.29. “Void Date” means the date by which any checks issued to Settlement Class Members shall become void, *i.e.*, on the 121st day after mailing.

### **3. SETTLEMENT CONSIDERATION**

3.1. The total amount Hilton will pay in consideration of the Settlement and dismissal with prejudice and release of all individual and class claims brought by Plaintiff, including all claims alleged or that could have been alleged in the operative complaint, is \$12,000,000. This Gross Settlement Amount includes all costs and fees, including the Individual Settlement Payments, Class Counsel Award, Service Award, Settlement Administrator Expenses, the Opt-Out Dispute Resolution Fund, and the Class Dispute Resolution Fund. Under no circumstances, will Hilton or any of the Released Parties be required to pay anything more than the Gross Settlement Amount, except for employer-side payroll taxes on the portion of the Gross Settlement Amount allocated to wages which Hilton will pay in addition to the Gross Settlement Amount.

3.2. The Gross Settlement Amount shall be allocated to fund the Class Counsel Award, Service Award, Settlement Administrator Expenses, Opt-Out Dispute Resolution Fund, and Class Dispute Resolution Fund in such amounts as are approved by the Court. No portion of the Gross Settlement Amount will be retained by, or revert to, Hilton.

3.3. Hilton shall not be required to pay any settlement payments in any amounts under this Agreement unless and until the Court fully and finally approves the settlement contemplated by this Agreement, the Effective Date has occurred, and all other conditions specified in this Agreement are fully satisfied.

### **4. SUBMISSION OF THE AGREEMENT TO THE COURT FOR PRELIMINARY AND FINAL APPROVAL**

4.1. Upon execution of this Agreement, the Parties will file a stipulation and proposed order permitting the filing of the Third Amended Complaint.

4.2. Class Counsel shall be responsible for ensuring that a duly authorized motion, accompanying memorandum of points and authorities prepared by Class Counsel, and such other pleadings, evidence or other documents as may be necessary for the Court to determine that the settlement documented by this Agreement is fair, adequate, and reasonable are filed with the Court in advance of the Preliminary and Final Approval Hearings. Class Counsel shall provide Hilton with a draft of all filings to be submitted in connection with the Preliminary and Final Approval Hearings and any post-approval proceedings the Court may require for review and approval, inclusive of supporting declarations, at least seven (7) calendar days before filing any such documents with the Court. Hilton shall not unreasonably withhold its approval.

4.3. After execution of this Agreement, Plaintiff shall submit to the Court a motion for preliminary approval of the Settlement, which shall seek approval of the Class Notice attached hereto as Exhibit A and entry of an order granting preliminary approval.

4.4. At the Final Approval Hearing, Plaintiff shall request entry of a Final Approval order and a Judgment, to be agreed upon by the Parties, that among other things:

4.4.1. Finally approves the Settlement as fair, reasonable, and adequate and directs its consummation pursuant to the terms of the Agreement;

4.4.2. Finds that Class Counsel and Plaintiff adequately represented the Settlement Class for the purpose of entering into and implementing the Agreement;

4.4.3. Re-confirms the appointment of the Settlement Administrator and finds that the Settlement Administrator has fulfilled its duties under the Settlement to date;

4.4.4. Finds that the Class Notice (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, and their right to exclude themselves from or object to the proposed settlement and to appear at the Final Approval Hearing; and (iii) met all requirements of Rule 23, due process, and any other applicable rules of law;

4.4.5. Approves the Opt-Out List and determines that the Opt-Out List is a complete list of all Settlement Class Members who have timely and properly requested exclusion from the Settlement Class;

4.4.6. Directs that the Final Approval order and Judgment of dismissal shall be final and entered forthwith;

4.4.7. Adjudges that Plaintiff, all Settlement Class Members not included in the Opt-Out List, and their Legally Authorized Representatives, heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns, and successors, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, regardless of whether they have received actual notice of the proposed Settlement, have conclusively compromised, settled, discharged, and released their Released Claims against Hilton and the Released Parties, and are bound by the provisions of this Agreement;

4.4.8. Declares this Agreement and the Final Approval order and Judgment to be binding, and have res judicata and preclusive effect, including as to Settlement Class Members who may not have received actual notice of the Action or this proposed Settlement;

4.4.9. Authorizes the Parties, without further approval from the Court, to mutually agree to and adopt such amendments, modifications, and expansions of this Agreement, including all Exhibits hereto, as (i) shall be consistent in all material respects with the Final Approval order and (ii) do not limit the rights of Settlement

Class Members; and

4.4.10. Contains such other and further provisions consistent with the terms of this Agreement as may be necessary to obtain Final Approval.

4.5. At the Final Approval Hearing and as part of the final approval of this Settlement, Class Counsel will also request approval of the Plan of Allocation set forth in Section 9. Any modification to the Plan of Allocation by the Court shall not (i) affect the enforceability of the Agreement, (ii) provide any of the Parties with the right to terminate the Agreement, or (iii) impose any obligation on Hilton or any Released Party to increase the consideration paid in connection with the Settlement.

4.6. At the Final Approval Hearing, Class Counsel may also request entry of an Order approving the Class Counsel Award and the Service Award, which shall be paid exclusively from the Gross Settlement Amount. In no event shall any of the Released Parties otherwise be obligated to pay for any attorneys' fees and expenses or any Services Award aside from the Gross Settlement Amount. The disposition of Class Counsel's application for a Class Counsel Award and for the Service Award is within the sound discretion of the Court and is not a material term of this Agreement, and it is not a condition of this Agreement that such application be granted. Any disapproval or modification of such application by the Court shall not (i) affect the enforceability of the Agreement, (ii) provide any of the Parties with the right to terminate the Agreement, or (iii) increase the consideration Hilton or any of the Released Parties pays in connection with the Settlement. If the Court modifies the amount of the Class Counsel Award or Service Award to be lower than the maximum allocated to the Class Counsel Award or Service Award in this Agreement, the difference shall be allocated to the Individual Settlement Payments. Released Parties shall have no liability to Class Counsel arising from any claim regarding the division of the Class Counsel Award between and among Class Counsel or any other counsel representing Plaintiff or the Settlement Class Members.

4.7. The Settlement documented by this Agreement is contingent upon entry of Preliminary and Final Approval orders consistent with the terms of this Agreement and as set forth in Paragraphs 4.2, 4.3, and 4.4. An order from the Court denying preliminary or final approval without prejudice and with instructions to amend terms and conditions of the Settlement or make adjustments to the moving papers which does not otherwise increase the total amount of the Gross Settlement Amount will not be grounds to void the Settlement. If Preliminary and Final Approval orders are not immediately issued, the Parties agree to engage with Mediator Loeb in a good-faith effort to obtain settlement approval. In the event approval is not granted following the Parties' good-faith efforts, Hilton maintains sole discretion to either continue negotiations in an attempt to get approval or void the Settlement, in which event the Action shall revert back to its status quo as of the date the Settlement is executed.

## **5. CLASS NOTICE**

5.1. No more than fifteen (15) business days after entry of the Preliminary Approval Order, Hilton shall provide the Settlement Administrator with the Class Information for purposes of sending the Class Notice to Settlement Class Members.

5.2. The Class Notice, subject to Court approval, will inform each Settlement Class Member of their right to request exclusion from the Settlement, their right to object to the Settlement, their right to dispute the information upon which their share of the Settlement will be calculated, and the claims to be released. Settlement Class Members will be provided forty-five (45) calendar days after the mailing of their Class notice or fifteen (15) calendar days after any re-mailing of their notice, whichever is longer, to take the above-referenced actions.

5.3. Each Settlement Class Member's respective Class Notice will include their Estimated Individual Settlement Payment. Settlement Class Members who disagree with their Estimated Individual Settlement Payment as set forth on their Class Notice or any other aspect of the Settlement may dispute such information by contacting and, where applicable, providing documentation to the Settlement Administrator. The Settlement Administrator shall review any documentation or information submitted by the Class Members and consult with the Parties to determine whether an adjustment is warranted. The Parties will cooperate in good faith to investigate any disputes and work to resolve them. Any increase to a Settlement Class Member's Individual Settlement Payment shall be allocated from the Class Dispute Resolution Fund, and any amount remaining in the Class Dispute Resolution Fund prior to the residual distribution shall be distributed to Settlement Class Members who cashed their initial checks in proportion to their Individual Settlement Amount (for those Settlement Class Members whose residual share would be at least \$50). There will be a presumption that Hilton's records are correct, absent evidence produced by a Settlement Class Member to the contrary. The Settlement Administrator's determinations shall be binding upon the Settlement Class Member and the Parties and shall not increase the amount of the Gross Settlement, and a Settlement Class Members's Individual Settlement Payment will be calculated according to the Settlement Administrator's determinations.

5.4. No more than ten (10) calendar days after receipt of the Class Information, the Settlement Administrator shall send a copy of the Class Notice by first-class U.S. mail (and by email where the Class Information included a Class Member's email address) to each potential Settlement Class Member (the "Notice Date"). Before the initial mailing of the Class Notice, the Settlement Administrator shall make a good-faith attempt to obtain the most-current names and postal mail address for all potential Settlement Class Members to receive such postal mail, including (1) cross-checking the names and/or postal mail addresses it received from Hilton, and (2) reviewing the addresses with the National Change of Address Database.

5.5. If any Class Notice sent via U.S. mail to any Settlement Class Member is returned to the Settlement Administrator with a forwarding address, the Settlement Administrator shall forward the postal mailing to that address. If the Settlement Administrator is not provided a forwarding address, the Settlement Administrator shall attempt to locate a current mailing address for the Settlement Class Member by skip tracing using the Settlement Class Member's Social Security Number and will mail the Class Notice to the updated address identified. In the event that any Class Notice is returned as undeliverable a second time, no further efforts shall be required. The Settlement Administrator shall maintain a log detailing the Class Notices returned as undeliverable. There shall be no obligation to search for new email addresses if an email is returned as undeliverable.

5.6. All Settlement Class Members' names and postal mail addresses obtained through these sources shall be protected as confidential and not used for purposes other than the notice and

administration of this Settlement. The address determined by the Settlement Administrator to be the current mailing address through this process shall be presumed to be the best mailing address for the applicable Settlement Class Member.

5.7. The Parties agree that the procedures set forth in this Section constitute reasonable and the best practicable notice under the circumstances and an appropriate and sufficient effort to locate current addresses for Settlement Class Members such that no additional efforts to do so shall be required.

5.8. At least twenty-one (21) calendar days before the Final Approval Hearing, the Settlement Administrator shall prepare a declaration of due diligence and proof of dissemination with regard to the mailing of the Class Notice, and any attempts by the Settlement Administrator to locate Settlement Class Members, its receipt of valid requests for exclusion, and its inability to deliver the Class Notice to Settlement Class Members due to invalid addresses (“Due Diligence Declaration”), to Class Counsel and counsel for Hilton for presentation to the Court. Class Counsel shall be responsible for filing the Due Diligence Declaration with the Court

## **6. PROCEDURES FOR REQUESTS FOR EXCLUSION**

6.1. Settlement Class Members (with the exception of Plaintiff) may opt out of the Settlement. Those who wish to exclude themselves (or “opt out”) from the Settlement Class must submit timely, written requests for exclusion. To be effective, such a request must include the Settlement Class Member’s name, address, and telephone number; a clear and unequivocal statement that the Settlement Class Member wishes to be excluded from the Settlement Class; and the signature of the Settlement Class Member. The request must be mailed to the Settlement Administrator at the address provided in the Class Notice and must be postmarked no later than forty-five (45) calendar days after the Notice Date or fifteen (15) calendar days after the re-mailing of a Settlement Class Member’s Notice, whichever is later (“Exclusion/Written Objection Deadline”). The date of the postmark shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. Requests for exclusion must be exercised individually by the Settlement Class Member. Attempted group, class, or subclass requests for exclusion shall be ineffective and disregarded by the Settlement Administrator.

6.2. The Settlement Administrator shall promptly log each request for exclusion that it receives and provide copies of the log and all such requests for exclusion to Class Counsel and counsel for Hilton.

6.3. The Settlement Administrator shall prepare a list of all persons who timely and properly requested exclusion from the Settlement Class (the Opt-Out List). Plaintiff shall submit an affidavit from the Settlement Administrator to the Court attesting to the accuracy of the list concurrently with his motion for Final Approval.

6.4. All Settlement Class Members who are not included in the Opt-Out List approved by the Court shall be bound by this Agreement and any Court orders relating to it, even if they did not receive actual notice of the Action or this proposed Settlement.

6.5. The Settlement Administrator, in its sole discretion, shall determine whether a request for exclusion was timely and properly submitted. The Settlement Administrator’s decision

shall be final, binding, and nonappealable.

6.6. Plaintiff agrees not to request exclusion from the Settlement Class.

6.7. Settlement Class Members may object to or opt out of the Settlement, but may not do both. Any Settlement Class Member who submits a timely and proper request for exclusion may not file an objection to the Settlement or receive a Settlement Payment, and shall be deemed to have waived any rights or benefits under the Agreement. If a Settlement Class Member files both an objection and a valid and timely request for exclusion, the objection will override the opt out, and the opt out shall therefore be ignored.

6.8. Neither the Parties nor their counsel shall encourage any Settlement Class Member to opt out of the Settlement.

## 7. PROCEDURES FOR OBJECTIONS

7.1. Any Settlement Class Member who wishes to object to the fairness, reasonableness, or adequacy of this Agreement, the proposed Settlement, or any terms therein must submit a timely written statement of objection by directing such objection to the Settlement Administrator, who will provide the objection to the parties' counsel. Objections may also be submitted to the Court by electronic filing, in person at any location of the United States District Court for the Northern District of California, or by mail to the Class Action Clerk, United States District Court for the Northern District of California, Oakland Division, or presented in person at the Final Approval Hearing. The date of the email or postmark on the mailing envelope shall be the exclusive means used to determine whether a written objection that is mailed to the Court is timely submitted.

7.2. A written objection must contain at least the following: (i) the objector's full name, address, telephone, and signature; (ii) the Action's case name and case number; (iii) a statement of the specific legal and factual basis for each objection argument; and (iv) a statement whether the objecting person or entity intends to appear at the Final Approval Hearing, either in person or through counsel and, if through counsel, a statement identifying that counsel by name, bar number, address, and telephone number. All written objections shall be signed by the objecting Settlement Class Member, even if the Settlement Class Member is represented by counsel. The Parties will cooperate in good faith to investigate any objections and work to resolve them before the Final Approval Hearing. Settlement Class Members who fail to object either by submitting a valid written objection or appearing in person at the Final Approval Hearing or who withdraw their objections before the Final Approval Hearing will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement.

7.3. Settlement Class Members who object to the proposed Settlement shall remain Settlement Class Members bound by the Final Approval order and Judgment.

## 8. RELEASES

8.1. **Released Claims.** For the Class Period, Plaintiff and all Settlement Class Members will release and discharge (i) Hilton Management LLC and Hilton Hotel Employer LLC and their respective former and present parents, subsidiaries, affiliated corporations and entities, and each

of their respective current, former, and future officers, directors, members, managers, employees, partners, shareholders, joint venturers and third-party agents, and any successors, assigns, legal representatives, or any individual or entity which could be jointly or severally liable with Hilton and all persons or entities acting by, through, under, or in concert with any of them; (ii) former, current and future owners of the San Francisco Union Square Hilton, 333 O'Farrell St, San Francisco, CA 94102, including but not limited to Park Hotels and Resorts Inc.; (iii) the holders of Hilton USA Trust 2016-SFP, Commercial Mortgage Pass-Through Certificates, Series 2016-SFP (collectively the "Holders"), Wilmington Trust, National Association, as trustee for the Holders (the "Trustee") and Key Bank, as special servicer for the Trustee and each of their predecessors, successors and assigns and (iv) Michelle Russo, court-appointed receiver in the receivership proceeding currently pending in the Superior Court of the State of California, Case No. CGC-23-609935 ("Released Parties") from all claims alleged in or arising from the facts and theories that were or could have been asserted based on the allegations asserted in any of the complaints filed in the Action, including claims alleged in or arising from the facts and theories that were or could have been asserted based on the allegations asserted in any of the complaints filed in the Action under the California Unfair Competition Law, Business and Professions Code § 17200, *et seq.* and California Labor Code §§ 203, 204b, 226, 350, and 351, that accrued during the Class Period ("Released Claims"). The Settlement Agreement and the judgment entered thereon shall have res judicata effect precluding Settlement Class Members and Plaintiff from initiating any other proceedings involving Released Claims.

**8.2. General Release by Plaintiff.** In addition to the Released Class Claims, for all periods up to and including the dates of Plaintiff's execution of this Agreement, the Plaintiff himself and also on behalf of his heirs, trustees, executors, administrators, principals, beneficiaries, representatives, agents, successors, and assigns, and/or anyone claiming through him or acting or purporting to act on his behalf, past or present (collectively, his respective "Affiliates"), hereby fully and without limitation releases and discharges the Released Parties from any and all claims, known and unknown, asserted and unasserted, suspected and unsuspected, including but not limited to: any and all claims arising under the laws of the State of California or the United States; all claims raised or that could have been raised in the Action; all other statutory, constitutional, contractual, and/or common law claims for wages, damages, restitution, unreimbursed expenses, equitable or declaratory relief, penalties, liquidated damages, and/or punitive damages (including, without limitation, claims under any applicable Industrial Welfare Commission Wage Order, PAGA, or any other provision of the California Labor Code); any and all claims under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 1981, the federal Age Discrimination in Employment Act, the Americans with Disabilities Act, Sections 503 and 504 of the Rehabilitation Act of 1973, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Occupational Safety and Health Act, the Worker Adjustment and Retraining Notification Act, as amended, the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200, *et seq.*), and/or the California Fair Employment and Housing Act; any state, civil, or statutory laws, including any and all human rights laws and laws against discrimination; any other federal, state, or local statutes, codes, or ordinances; any common law, contract law, or tort law cause of action; and any claims for interest, attorneys' fees, and/or costs.

8.2.1. The Plaintiff expressly acknowledges that he is aware of and familiar with the provisions of Section 1542 of the California Civil Code, which provides:

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

With full awareness and understanding of the above provision, the Plaintiff on behalf of himself and his Affiliates hereby waives and relinquishes any and all rights and benefits that he may have under Section 1542 of the California Civil Code, or the law of any other state or jurisdiction, or common law principle, to the same or similar effect, and agree and acknowledge that this waiver of rights under Section 1542 extends beyond the waiver provided in Paragraph 8.2.

8.2.2. The Plaintiff further acknowledges, agrees, and understands that: (i) he has read and understand the terms of this Agreement; (ii) he is hereby advised in writing to consult with an attorney before executing this Agreement; (iii) he has obtained and considered such legal counsel and advice; (iv) he is not waiving claims that arise after the date he executes this Agreement; and (v) the Service Awards he will receive pursuant to this Agreement are consideration in exchange for his General Release of claims and are payment in addition to anything of value to which Plaintiff are entitled.

8.2.3. The Plaintiff has been given a period of at least twenty-one (21) days to consider and review this Agreement, and Plaintiff will have seven (7) days following the date he signs the Agreement to revoke the Agreement (the "Revocation Period"). If Plaintiff revokes the Agreement within his Revocation Period, neither Plaintiff nor Hilton shall become bound by the Agreement's terms. If Plaintiff does not revoke the Agreement within the Revocation Period, it will become effective on the Effective Date as set forth above. Under no circumstances shall the Agreement become effective or enforceable until the Revocation Period has expired.

8.2.4. The Plaintiff hereby represents, covenants, and warrants that he has not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber, to any person or entity, any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged.

8.2.5. The Plaintiff understands that the facts with respect to which this Agreement is entered into may be materially different from those the Parties now believe to be true. The Parties accept and assume this risk, and agree that this Agreement, including specifically the releases contained herein, shall remain in full force and effect, and legal binding, notwithstanding the discovery or existence of any additional or different facts, or any claims with respect to those facts.

8.3. As of the date of Final Approval, Plaintiff and all Settlement Class Members who have not been excluded from the Settlement Class as provided in the Opt-Out List shall be

permanently barred and enjoined from initiating, asserting, or prosecuting against the Released Parties in any federal or state court or tribunal any and all of the Released Claims.

## **9. PLAN OF ALLOCATION**

9.1. The Settlement Administrator will be responsible for calculating the Estimated Individual Settlement Payments and Individual Settlement Payment amounts due to each Settlement Class Member. Each Settlement Class Member shall receive their pro rata portion of the Net Settlement Amount, calculated by dividing the total service charge payments received by all Settlement Class Members during the Class Period by the total service charge payments received by the individual Settlement Class Member during the Class Period, and multiplying the Net Settlement Amount by that percentage (but with no Settlement Class Member allocated less than \$10).

9.2. Each Settlement Class Member who does not request exclusion shall be paid their Individual Settlement Payment based upon the distribution described in the preceding paragraph.

9.3. Estimated Individual Settlement Payments of any Settlement Class Members on the Opt-Out List shall be set aside in an Opt-Out Dispute Resolution Fund that will be available to Hilton to use to facilitate the resolution of the Opt-Out Settlement Class Members' claims in the event that they elect to pursue the Released Claims in a separate litigation, arbitration, or other dispute resolution forum. Any funds in the Opt-Out Dispute Resolution Fund that have not been used within four years of the end of the Release Period will be donated on a *cy pres* basis to Legal Aid at Work.

## **10. FUNDING AND ADMINISTRATION OF THE SETTLEMENT FUND**

10.1. The Settlement Administrator will establish a "qualified settlement fund" within the meaning of Treasury Regulations § 1.468B-1, et seq. ("QSF"), to which Hilton will pay the Gross Settlement Amount and the employer-portion payroll taxes as set forth herein. In connection with Hilton's transfer of funds into the QSF, the following definitions will apply:

10.1.1. Hilton will be a "transferor" within the meaning of Treasury Regulation § 1.468B-1(d)(1) to the QSF with respect to the amounts transferred;

10.1.2. The Settlement Administrator will be the "administrator" of the QSF within the meaning of Treasury Regulation § 1.468B-2(k)(3), responsible for causing the filing of all tax returns required to be filed by or with respect to the QSF, paying from the QSF any taxes owed by or with respect to the QSF, and complying with any applicable information reporting or tax withholding requirements imposed by Treasury Regulation § 1.468B-2(1)(2) or any other applicable law on or with respect to the QSF, and in accordance with this Settlement Agreement; and

10.1.3. Hilton and the Settlement Administrator shall reasonably cooperate in providing any statement or making any elections or filings necessary or required by applicable law for satisfying the requirements for qualification as a QSF, including the relation-back election within the meaning of Treasury Regulation § 1.468B-1(j).

10.2. The Settlement Administrator shall promptly provide a current Internal Revenue Service (“IRS”) Form W-9 of the QSF to Hilton.

10.3. Within forty-five (45) calendar days of the Effective Date, Hilton shall provide the Gross Settlement Amount to the QSF established by the Settlement Administrator.

10.4. Within ten (10) calendar days of the funding of the QSF, the Settlement Administrator shall pay the Individual Settlement Payments, Class Counsel Award, Service Awards, and Settlement Administrator Expenses as approved by the Court from the QSF.

10.4.1. The Settlement Administrator shall issue the Individual Settlement Payments from the Net Settlement Amount to each Settlement Class Member. The Individual Settlement Payment amounts shall be issued as fifty percent (50%) penalties and interest, which shall be reported on an IRS 1099 form and fifty percent (50%) shall be issued as wages and reported on an IRS W2 form. Each Settlement Class Member shall be solely responsible for paying any taxes and penalties on such portion and shall defend, indemnify, and hold Hilton and the Released Parties harmless from any claims, demands, actions, causes of action, losses, costs, attorney’s fees, penalties, or expenses arising from any classification of the Individual Settlement Payment as taxable income.

10.4.2. The Class Counsel Award will be subject to allocation amongst Class Counsel according to their agreement. The Settlement Administrator shall issue an IRS Form 1099 and its state and local equivalents to Class Counsel for any awarded attorney’s fees and costs.

10.4.3. Any Service Awards shall be considered non-wages and shall not be subject to withholding. The Settlement Administrator shall issue an IRS Form 1099 for the payment. Service Award recipients shall be solely responsible for paying any taxes and penalties on such portion and shall defend, indemnify, and hold Hilton and the Released Parties harmless from any claims, demands, actions, causes of action, losses, costs, attorney’s fees, penalties, or expenses arising from any classification of the Service Award payments as taxable income.

10.5. The Settlement Administrator shall hold the Opt-Out Dispute Resolution Fund in the QSF for use by Hilton to resolve the claims of the Class Members on the Opt-Out List claims until there are no funds left in the Opt-Out Dispute Resolution Fund or for four years past the end of the Class Period, whichever is earlier.

10.6. Sixty (60) days following the distribution of Individual Settlement Payments, the administrator shall send a reminder to Settlement Class Members who have not cashed their check via U.S. first-class mail (and by email where the Class Information included a Class Member’s email address). The Settlement Administrator will reissue checks to Settlement Class Members if requested. If any Class Individual Settlement Payment sent via U.S. mail to any Settlement Class Member is returned to the Settlement Administrator with a forwarding address, the Settlement Administrator shall forward the postal mailing to that address. If the Settlement Administrator is not provided a forwarding address, the Settlement Administrator shall attempt to locate a current

mailing address for the Settlement Class Member by skip tracing using the Settlement Class Member's Social Security Number and will mail the Individual Settlement Payment to the updated address identified or otherwise provided to the Settlement Administrator. If any portion included in the Individual Settlement Payments remains uncashed after the Void Date (*i.e.*, checks are not cashed or checks are returned as undeliverable after distribution), then the Settlement Administrator shall void the check and shall redistribute the unclaimed funds along with an remaining Class Dispute Resolution Funds to Settlement Class Members whose residual shares would be no less than \$50. Sixty (60) days following the residual distribution of Individual Settlement Payments, the administrator shall send a reminder to Settlement Class Members who have not cashed their check via U.S. first-class mail (and by email where the Class Information included a Class Member's email address). The Settlement Administrator will reissue residual checks to Settlement Class Members if requested. Residual shares shall become void on the 121st day after mailing. Any checks from this residual distribution that remain uncashed on the 122nd day after mailing will be donated on a *cy pres* basis to Legal Aid at Work.

10.7. Settlement Class Members who are not on the Opt-Out List approved by the Court shall be subject to and bound by the provisions of the Agreement, the releases contained herein, and the Judgment, regardless of whether they cash their Individual Settlement Payment checks.

10.8. Payment from the Gross Settlement Amount made pursuant to and in the manner set forth herein shall be deemed conclusive of compliance with this Agreement as to all Settlement Class Members.

10.9. No Settlement Class Member shall have any claim against the Plaintiff, Class Counsel, or the Settlement Administrator based on distributions made substantially in accordance with this Agreement and/or orders of the Court. No Settlement Class Member shall have any claim against any Released Party or its counsel relating to distributions made under this Settlement.

## **11. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION OF AGREEMENT**

11.1. No later than seven (7) calendar days after the Exclusion/Written Objection Deadline, the Settlement Administrator shall provide to Class Counsel and counsel for Hilton the Opt-Out List together with copies of the opt-out requests. Notwithstanding any other provision of this Agreement, Hilton, in its sole discretion, may elect to void and withdraw from the Settlement Agreement if either of the following events occurs: (1) more than 25 of the Settlement Class Members opt out of the settlement; or (2) the Individual Payments allocated to the opt out Settlement Class Members at the Class Notice stage exceed 5% of the Net Settlement Amount. Hilton at its sole and absolute discretion may elect to rescind and revoke the entire Agreement by sending written notice that it revokes the Settlement pursuant to this paragraph to Class Counsel within fourteen (14) calendar days following receipt of the Opt-Out List. Should Hilton exercise its rights under this Paragraph, Hilton shall bear all of the Settlement Administrator's costs incurred up to the point of the revocation.

11.2. If the Court does not approve the Settlement as set forth in this Agreement, or does not enter the Final Approval order and Judgment on the terms described herein, or if the Court enters the Judgment and appellate review is sought, and on such review, the entry of Judgment is

vacated, modified in any way, or reversed, or if the Final Approval order does not otherwise become Final, then this Agreement shall be cancelled and terminated, unless all Parties, in their sole discretion no later than thirty (30) calendar days from the date such ruling becomes Final, provide written notice to all other Parties hereto of their intent to proceed with the Settlement under the terms of the Judgment as it may be modified by the Court or any appellate court.

11.3. In the event that the Settlement is cancelled and terminated under Paragraphs 11.1, 11.2: (a) the Settlement, this Agreement, the Class Information, the Opt-Out List, and all documents exchanged and filed in connection with the Settlement shall be treated as privileged mediation communications under Fed. R. Evid. 408; Cal. Evid. Code §§ 1115 *et seq.*; (b) the Settlement shall be without force and effect upon the rights of the Parties hereto, and none of its terms shall be effective or enforceable, with the exception of this Paragraph, which shall remain effective and enforceable; (c) the Parties shall be deemed to have reverted *nunc pro tunc* to their respective status prior to execution of this Agreement; (d) all Orders entered in connection with the Settlement shall be vacated without prejudice to any party's position on the issue in the Action or any other action, and the Parties shall be restored to their litigation positions existing on the date of execution of this Agreement; and (e) the Parties shall proceed in all respects as if the Agreement and related documentation and orders had not been executed, and without prejudice in any way from the negotiation or fact of the Settlement or the terms of the Agreement. The Agreement, the Settlement, all documents, orders, and evidence relating to the Settlement, its negotiation, and any steps taken in pursuit of its effectuation shall not be admissible in any proceeding, and shall not be offered, received, or construed as evidence of a presumption, concession, or admission of liability, of the certifiability of a litigation class, or of any misrepresentation or omission in any statement or written document approved or made, or otherwise used by any person for any purpose whatsoever, in any trial of the Action or any other action or proceedings. Plaintiff, Class Counsel and the Settlement Administrator shall return to counsel for Hilton all copies of Class Information and Opt-Out Lists and shall not use or disclose the Class Information or Opt-Out List for any purpose or in any proceeding.

## **12. ADDITIONAL PROVISIONS**

12.1. Neither Party will issue any press release or other public or non-public representation regarding the Settlement, other than as necessary to obtain court approval and effectuate the terms of the Settlement. Provided, however, that the Court may be notified, if necessary, prior to the filing of the motion for preliminary approval, that "The parties have settled the case subject to court approval" (or words to similar effect), while not mentioning the terms. The Parties and their counsel agree that they will not initiate or have any contact with the press, respond to any press inquiry, or have any communication with the press about the Action.

12.2. Class Counsel will not communicate with other counsel about this Settlement or the Action, nor use it in any way in their marketing or advertising materials or website. Notwithstanding the above, Class Counsel may communicate with Settlement Class Members for purposes of the Settlement. This provision applies equally to Plaintiff.

12.3. All of the Exhibits to this Agreement are an integral part of the Settlement and are incorporated by reference as though fully set forth herein.

12.4. Plaintiff and Class Counsel acknowledge that an adequate factual record has been established that supports the Settlement.

12.5. This Agreement constitutes the full and complete agreement of the Parties hereto, and supersedes all prior negotiations and agreements, whether oral, written or otherwise, including the Parties' Memorandum of Understanding, and may be amended or modified only by a written instrument signed by counsel for all Parties or the Parties' successors-in-interest.

12.6. The Parties reserve the right, subject to the Court's approval when necessary, to agree to any reasonable extensions of time that might be necessary to carry out any of the provisions of this Agreement. Such agreements must be in writing to be enforceable.

12.7. The Released Parties shall have the right to file the Agreement, the Final Approval order and Judgment, and any other documents or evidence relating to the Settlement in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good-faith settlement, judgment bar, reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12.8. The Parties to the Agreement agree that the Gross Settlement Amount and the other terms of the Settlement were negotiated at arm's length and in good faith by the Parties, resulted from an arm's-length mediation session facilitated by Michael Loeb, Esq., and subsequent discussions between the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery after consultation with experienced legal counsel.

12.9. Plaintiff and Class Counsel have concluded that the Settlement set forth herein constitutes a fair, reasonable, and adequate resolution of the claims that Plaintiff asserted against Hilton, including the claims on behalf of the Settlement Class, and that it promotes the best interests of the Settlement Class.

12.10. To the extent permitted by law, all agreements made and orders entered during the course of the Action relating to the confidentiality of information shall survive this Agreement.

12.11. The waiver by one Party of any breach of this Agreement by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

12.12. This Agreement constitutes the entire agreement among the Parties, and no representations, warranties, or inducements have been made to any Party concerning this Agreement, other than the representations, warranties, and covenants contained and memorialized in this Agreement.

12.13. This Agreement may be executed in one or more counterparts and by facsimile, PDF, electronic, and/or DocuSign signatures. If Plaintiff executes the Agreement by electronic signature, including DocuSign or any comparable service, Class Counsel makes the following representations: (a) the electronic signature system and processes used to obtain Plaintiff's signature complies with the federal ESIGN Act and any state laws regarding the use or adoption of electronic signatures, (b) Plaintiff consented to using electronic signatures for this purpose, as required under both the federal and state laws, (c) Class Counsel selected and implemented a method in their electronic signature system to authenticate Plaintiff to ensure his signature is

Plaintiff's signature, (d) Class Counsel has and will maintain records of the system and the process used to present the agreement to Plaintiff and obtain and record Plaintiff's signature, and will maintain and provide such records to counsel for Hilton to allow counsel for Hilton to lay the foundation for the admission of the Agreement into evidence, (e) Plaintiff and Class Counsel waive any objections to the admission of the agreement in any later action to enforce the terms of the agreement based on the electronic signature process, and (f) Class Counsel agrees to indemnify and hold Hilton harmless from any loss, cost, damage or expense (including attorneys' fees) resulting from Hilton's inability to enforce the Agreement and release against their client arising from the fact of any electronic signature. All executed counterparts and copies thereof shall be deemed to be one and the same instrument.

12.14. The Parties hereto and their respective counsel agree that they will use their best efforts to obtain all necessary approvals of the Court required by this Agreement.

12.15. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto, including any and all Released Parties and any corporation, partnership, or other entity into or with which any Released Party hereto may merge, consolidate, or reorganize.

12.16. This Agreement shall not be construed more strictly against one Party than another merely because of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that because of the arm's-length negotiations resulting in the Agreement, all Parties hereto have contributed substantially and materially to the preparation of the Agreement.

12.17. Except where this Agreement itself provides otherwise, all terms, conditions, and Exhibits are material and necessary to this Agreement and have been relied upon by the Parties in entering into this Agreement.

12.18. This Agreement shall be governed by California law. Any action based on this Agreement, or to enforce any of its terms, shall be venued in the United States District Court for the Northern District of California. The parties shall request that the court in the Action retain exclusive jurisdiction over the parties and all such disputes for the purpose of administration and enforcement of this Settlement and that the court incorporate the terms of this Settlement in its Final Approval order. All Parties to this Agreement shall be subject to the jurisdiction of the United States District Court for the Northern District of California for all purposes related to this Agreement. This paragraph relates solely to the law governing this Agreement and any action based thereon, and nothing in this paragraph shall be construed as an admission or finding that California law applies to the Released Claims of any Plaintiff or Settlement Class Member who reside outside of the state. This agreement shall be enforceable and admissible for such purposes under the Federal Rules of Civil Procedure and Federal Rules of Evidence. In any action or other proceeding brought by a party to this Agreement to enforce this Agreement, the prevailing party shall be entitled to recover its/her reasonable attorneys' fees and legal costs incurred.

12.19. The Parties to this Agreement warrant that they are acting upon independent judgment and upon the advice of counsel, and not in reliance upon any warranty or representation, express or implied, of any nature of any kind by any other Party, other than the warranties and representations expressly made in this Agreement.

Dated: 01/29/2026, 2026



\_\_\_\_\_  
Baikuntha Khanal, Plaintiff

Dated: \_\_\_\_\_, 2026

\_\_\_\_\_  
Hilton Management LLC, Defendant

By: Steve Standefer  
Title: Senior Vice President

**APPROVED AS TO FORM:**

LICHTEN & LISS-RIORDAN, P.C.

Dated: \_\_\_\_\_, 2026

\_\_\_\_\_  
Shannon Liss-Riordan

*Attorneys for Plaintiff*  
Baikuntha Khanal

JONES DAY

Dated: \_\_\_\_\_, 2026

\_\_\_\_\_  
Kelsey Israel-Trummel

*Attorneys for Defendant*  
Hilton Management LLC, on behalf of  
Hilton Worldwide, Inc. (erroneously sued as  
“San Francisco Hilton, Inc.”)

Dated: \_\_\_\_\_, 2026

\_\_\_\_\_  
Baikuntha Khanal, Plaintiff

Dated: 1/30/26 \_\_\_\_\_, 2026

DocuSigned by:  
*Steve Standefer*  
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\_\_\_\_\_  
Hilton Management LLC, Defendant

By: Steve Standefer  
Title: Senior Vice President

**APPROVED AS TO FORM:**

LICHTEN & LISS-RIORDAN, P.C.

Dated: \_\_\_\_\_, 2026

\_\_\_\_\_  
Shannon Liss-Riordan  
*Attorneys for Plaintiff*  
Baikuntha Khanal

Dated: January 29 \_\_\_\_\_, 2026

JONES DAY  
Signed by:  
*Kelsey Israel-Trummel*  
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\_\_\_\_\_  
Kelsey Israel-Trummel  
*Attorneys for Defendant*  
Hilton Management LLC, on behalf of  
Hilton Worldwide, Inc. (erroneously sued as  
“San Francisco Hilton, Inc.”)

Dated: \_\_\_\_\_, 2026

\_\_\_\_\_  
Baikuntha Khanal, Plaintiff

Dated: \_\_\_\_\_, 2026

\_\_\_\_\_  
Hilton Management LLC, Defendant

By: Steve Standefer  
Title: Senior Vice President

**APPROVED AS TO FORM:**

LICHTEN & LISS-RIORDAN, P.C.

Dated: January 29, 2026

  
\_\_\_\_\_  
Shannon Liss-Riordan

*Attorneys for Plaintiff*  
Baikuntha Khanal

JONES DAY

Dated: \_\_\_\_\_, 2026

\_\_\_\_\_  
Kelsey Israel-Trummel

*Attorneys for Defendant*  
Hilton Management LLC, on behalf of  
Hilton Worldwide, Inc. (erroneously sued as  
“San Francisco Hilton, Inc.”)

# **EXHIBIT B**

1 SHANNON LISS-RIORDAN, SBN No. 310719  
2 (sliss@llrlaw.com)  
3 LICHTEN & LISS-RIORDAN, P.C.  
4 729 Boylston Street, Suite 2000  
5 Boston, MA 02116  
6 Telephone: (617) 994-5800  
7 Facsimile: (617) 994-5801

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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

BAIKUNTHA KHANAL, individually and on  
behalf of all others similarly situated,  
  
Plaintiffs,  
v.  
  
SAN FRANCISCO HILTON, INC.  
  
Defendant.

Case No. CV 14-1523-JSW

**THIRD AMENDED CLASS  
ACTION COMPLAINT AND JURY  
DEMAND**

1 **I. INTRODUCTION**

2 1. This is a class action brought under California law challenging the defendant’s  
3 failure to remit the total proceeds of gratuities that have been added to bills for food and beverage  
4 to food and beverage service employees. As set forth below, Defendant San Francisco Hilton, Inc.  
5 has imposed gratuities on the sale of food and beverages at its hotel located on Union Square, 333  
6 O’Farrell Street, San Francisco, California, but it has failed to distribute the total proceeds of  
7 these gratuities to these employees as required by California law. This conduct violates the  
8 California Gratuities Law, California Labor Code § 351, which is enforceable through the  
9 California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et seq.* (“UCL”).

10 2. Plaintiff brings this action on his own behalf, and on behalf of all food and  
11 beverage service employees who have worked at the San Francisco Hilton (Union Square) at any  
12 time during the relevant statute of limitations.

13 **II. PARTIES**

14 3. The named plaintiff is Baikuntha Khanal, who has, within the applicable statute of  
15 limitations, worked as food and beverage service employees (including as bussers or servers) at  
16 the San Francisco Hilton hotel located at 333 O’Farrell Street, San Francisco, California.

17 4. Plaintiff brings this action on his own behalf and on behalf of all others similarly  
18 situated, namely all other behalf of all food and beverage service employees who have worked at  
19 the San Francisco Hilton (Union Square) at any time during the relevant statute of limitations.  
20 This class satisfies all the requirements of California Code of Civil Procedure § 382.

21 5. Defendant San Francisco Hilton, Inc. operates a hotel located at 333 O’Farrell  
22 Street, San Francisco, California, and employs the named plaintiff and proposed class members.

23 **III. STATEMENT OF FACTS**

24 6. At the San Francisco Hilton (Union Square), Defendant adds gratuities to  
25 customers’ bills for food and beverage service.

26 7. These gratuities are added for a number of types of food and beverage service,  
27 including but not limited to banquets, events, buffets, coffee service, and room service.  
28



1 e. Whether California law requires the distribution of all gratuities to food and  
2 beverage service employees, including gratuities that are added to bills  
3 automatically by the employer.

4 16. The named plaintiff is a member of the class, who suffered damages as a result of  
5 Defendant's conduct and actions alleged herein.

6 17. The named plaintiff's claims are typical of the claims of the class, and the named  
7 plaintiff has the same interests as the other members of the class.

8 18. The named plaintiff will fairly and adequately represent and protect the interests of  
9 the class. The named plaintiff has retained able counsel experienced in class action litigation.

10 19. The questions of law and fact common to the members of the class predominate  
11 over any questions affecting only individual members, including legal and factual issues relating  
12 to liability and damages.

13 20. A class action is superior to other available methods for the fair and efficient  
14 adjudication of this controversy because joinder of all class members is impractical. Moreover,  
15 since the damages suffered by individual members of the class may be relatively small, the  
16 expense and burden of individual litigation makes it practically impossible for all the members of  
17 the class individually to redress the wrongs done to them. The class is readily definable and  
18 prosecution of this action as a class action will eliminate the possibility of repetitive litigation.  
19 There will be no difficulty in the management of this action as a class action.

20 **COUNT I**

21 **Statutory Gratuity Violation**

22 21. Defendant's conduct, as set forth above, in failing to remit to service employees  
23 the total proceeds of gratuities collected from customers constitutes a violation of California  
24 Labor Code § 351. This violation is enforceable pursuant to the California Unfair Competition  
25 Law, Cal. Bus. & Prof. Code § 17200 *et seq.* ("UCL"). Defendant's conduct constitutes unlawful,  
26 unfair, or fraudulent business acts or practices, in that Defendant has violated California Labor  
27 Code § 351 in not remitting to the service employees the total gratuities that are charged to  
28 customers. As a result of Defendant's conduct, Plaintiff and class members suffered injury in fact

1 and lost money and property, including the loss of gratuities to which they were entitled. Pursuant  
2 to California Business and Professions Code § 17203, Plaintiff and class members seek  
3 declaratory and injunctive relief for Defendant’s unlawful, unfair, and fraudulent conduct and to  
4 recover restitution. Pursuant to California Code of Civil Procedure § 1021.5, Plaintiff and class  
5 members are entitled to recover reasonable attorneys’ fees, costs, and expenses incurred in  
6 bringing this action.

7 **JURY DEMAND**

8 Plaintiff requests a trial by jury on their claims.

9 WHEREFORE, Plaintiff requests that this case be certified as a class action; that they be  
10 awarded restitution for all charged gratuities which were not remitted to the service employees;  
11 and that they be awarded pre- and post-judgment interest; reasonable attorneys’ fees, costs, and  
12 expenses; and any other relief to which the plaintiffs may be entitled.

13  
14  
15 Dated: January 29, 2026

Respectfully submitted,

16 LICHTEN & LISS-RIORDAN, P.C.

17  
18 /s/ Shannon Liss-Riordan  
19 Shannon Liss-Riordan, SBN No. 310719  
Attorney for Plaintiffs

20 BAIKUNTHA KHANAL, individually and on  
21 behalf of all others similarly situated,  
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27  
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