

If you were a resident of the Garden Grove Inn for at least 15 days between September 14, 2012 and July 31, 2017, a class action may affect your rights.

A court authorized this Notice. This is not a solicitation from a lawyer.

- The settlement resolves a lawsuit over whether Garden Grove Inn in Garden Grove and its owners used illegal means to require guests to check out within 30 days of consecutive occupancy.
- You would receive approximately \$250 for each time you were required to check out or move out every 28 days during the specified time frame. See paragraph 7 below.
- In all \$300,000 will be paid out to former or current residents of the Inn or to a charitable organization with respect to any residents who cannot be located.
- The Court will also be asked to approve payments for legal fees and settlement administration.
- The two sides disagree whether Garden Grove Inn's practices were legal and, if they were not, how much money they should have to pay to former guests.
- Your legal rights will be affected whether you act or not. Read this Notice carefully. You have a choice to make now:

| YOUR LEGAL RIGHTS AND OPTIONS | |
|--------------------------------------|---|
| Do Nothing | You will: <ul style="list-style-type: none">• Stay in the lawsuit• Receive approximately \$250 per violation• Give up certain rights |
| Exclude Yourself | You will: <ul style="list-style-type: none">• Get out of this lawsuit• Receive no compensation• Keep any rights to sue individually |
| Object to the Settlement | You will: <ul style="list-style-type: none">• Stay in the lawsuit.• Receive approximately \$250 per violation• Be allowed to file court papers and appear before the Judge explaining why you do not like the settlement |

- Your rights and options are explained in this Notice. To object you must act before **January 8, 2020.**

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- The Court must still decide whether to approve this settlement. Please be patient.
- Any questions? A copy of this Notice and additional information can be found at <https://www.lakeshorelaw.org/gardengroveinn>.

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BASIC INFORMATION

1. WHY DID I GET THIS NOTICE?

The records of Garden Grove Inn, 7912 Garden Grove Blvd, Garden Grove, CA 92841 show that you stayed there between September 14, 2012 and July 31, 2017 for at least 15 consecutive days and then checked out or moved out by 30 consecutive days.

You have been sent this Notice because you have a right to know about a proposed settlement of the class action lawsuit, and about your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, you will receive certain compensation. You can receive updates about the progress of the settlement from the website listed at the bottom of this Notice.

This packet explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the Superior Court of the County of Orange, State of California, and the case is known as Gaubatz v. Garden Grove Inn, et. al., Case No. 30-2015-00809656-CU-BT-CXC. The persons who sued are the Plaintiffs and the various companies and individuals being sued are the Defendants.

2. WHAT IS THIS LAWSUIT ABOUT?

The lawsuit contends that Defendants required you to check out or move out before you could stay longer than 30 consecutive days and that this was done to prevent you from gaining the legal rights of a tenant. Plaintiffs Rosalind Gaubatz and Melanisha Sharp argue that a state law, Civil Code § 1940.1, prohibits residential hotels (hotels where most of the guests use it as their primary residence) from using this tactic. This tactic is sometimes called the “28-day shuffle.” Often, guests subject to the 28-day shuffle will be allowed to check back in the following day.

The law imposes a civil fine of \$500 per violation. In addition, if it can be proven the hotel owner used force or coercion, the fine could be much greater.

The Defendants deny they did anything wrong. They deny the law applies to them or that the Garden Grove Inn is a residential hotel. However, they chose to settle for economic reasons.

3. WHAT IS A CLASS ACTION AND WHO IS INVOLVED?

In a class action lawsuit, one or more people called “Class Representatives” (in this case the Plaintiffs) sues on behalf of other people who have similar claims. The people together are a “Class” or “Class Members.” One court resolves the issues for all Class Members, except those who exclude themselves. Orange County Superior Court Judge William D. Claster is in charge of this case.

4. WHY IS THIS LAWSUIT A CLASS ACTION?

The Court has ruled that all of the class members have similar claims and Defendants have similar defenses that apply in general to all of the class members. Therefore, the Court ordered that this lawsuit should proceed as a class action. The Court also ruled that attorneys Jeffrey Wilens and Jeffrey Spencer are qualified to represent the class.

WHO IS IN THE SETTLEMENT

5. AM I PART OF THIS CLASS?

Judge Claster, the judge presiding over this case, decided that anyone who stayed at the Garden Grove Inn between September 14, 2012 and July 31, 2017 for at least 15 consecutive days and then checked out or moved out by 30 consecutive days is a class member.

If this Notice is addressed to you, it has been determined you are a class member.

6. DO I NEED PROOF IN ORDER TO GET COMPENSATION?

Proof is not required to be a member of the Class as Defendants' records contain that information. However, if you believe you should be a Class Member, but have not received this Notice, you should contact Class Counsel before January 8, 2020 at the address listed in paragraph 17 below and present proof that you are a Class Member.

THE SETTLEMENT BENEFITS

7. WHAT DOES THE SETTLEMENT PROVIDE?

The settlement provides for a cash payment of \$300,000 to each of the class members who can be located, with any money that cannot be paid to the class member to be donated to charitable organizations. In this case, the charitable organizations are HomeAid Orange County (<https://www.homeaidoc.org/about>) and Habitat for Humanity of Orange County (<https://www.habitatoc.org/mission/>).

The above amount will be divided among all class member who can be located. You should assume that for each time you stayed 15-30 days at the Inn during the specified time frame you will receive \$250.

According to Defendant's business records, you had _____ qualifying (15-30 day) stays at the Garden Grove Inn during the relevant time period and will receive approximately \$_____. THIS INFORMATION WILL BE PROVIDED IN THE NOTICE MAILED TO YOU AFTER NOVEMBER 27, 2019.

Any Class Member may dispute the estimated payout preprinted immediately above by

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notifying the Settlement Administrator and submitting any proof supporting the objection, such as copies of rental receipts. The deadline to do this is **January 8, 2020**. Disputes regarding the correct number of stays that a Class Member had will be resolved based on the documentation supplied by the Class Member and Defendants.

8. HOW DO I GET MY COMPENSATION?

If this Settlement is approved after the Fairness Hearing (see paragraph 19) a check will be mailed to you approximately 30 days later. You do not need to do anything to receive it.

If you change your address after receiving this Class Notice, be sure to call 877-705-5021 and give your change of address to the Garden Grove Settlement Administrator.

9. WHAT AM I GIVING UP IN ACCEPTING THE SETTLEMENT?

Because you previously did not exclude yourself from this lawsuit, that means you cannot start a lawsuit, continue a lawsuit or join a lawsuit raising similar claims against Defendants. It also means you are “releasing” all of the Defendants (and related companies and persons) from any legal claims you might have relating to your being required to check out by the 30th day of occupancy.

This release does not include any claims relating to your stay at the Garden Grove Inn such as any personal injury you might have suffered.

10. WHAT IF I DO NOTHING AT ALL?

You will be automatically included in this settlement, will release claims and be paid as described above.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you don't want the benefit from this settlement, but you want keep the right to sue or continue to sue Garden Grove Inn and the other Defendants on your own, about the legal issues in this case, then you must take steps to remove yourself from the class. This is called excluding yourself—or is sometimes referred to as opting out of the settlement Class. If you exclude yourself, you will not be legally bound by the Court's judgments in this class action, nor will you receive any compensation.

To ask to be excluded, you must send a “Request for Exclusion” in the form of a letter sent by mail, stating that you want to be excluded from the Gaubatz v. Garden Grove Inn class action. You must include your name and address, telephone number, state you wish to exclude yourself from the settlement, and sign the letter. You can use the Request for Exclusion form attached to this notice. You must mail your Request for Exclusion to

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Gaubatz v. Garden Grove Inn Settlement Administrator, CPT Group, _____ Irvine, CA. **FULL ADDRESS WILL BE POSTED SHORTLY.** The Request for Exclusion must be postmarked by **January 8, 2020** or it will not be valid and you will be included in the settlement.

Do not send the Request for Exclusion Form if you want to be paid money.

12. IF I DO NOT EXCLUDE MYSELF, CAN I STILL SUE GARDEN GROVE INN OR THE OTHER DEFENDANTS FOR THE SAME THINGS?

No. But you would be able to sue for any other claims you may have.

13. IF I EXCLUDE MYSELF, CAN I STILL GET THE SETTLEMENT PAYMENT?

No.

THE LAWYERS REPRESENTING YOU

14. DO I HAVE A LAWYER IN THIS CASE?

Yes. The Court decided that the law firms of Lakeshore Law Center and The Spencer Law Firm are qualified to represent you and all Class Members. Together, the law firms are called “Class Counsel.” They are experienced in handling similar consumer rights cases. More information about these law firms, their practices and their experiences is available at www.lakeshorelaw.org and www.spencerlaw.net.

15. SHOULD I GET MY OWN LAWYER?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer.

16. HOW WILL THE LAWYERS AND PLAINTIFF BE PAID?

Class Counsel will ask the Court for attorneys’ fees of \$275,000 and for reimbursement of court costs of up to \$10,000. These figures are based on the actual time they have spent prosecuting this lawsuit, an appeal of an adverse ruling in this lawsuit, and a second related lawsuit. They have been working on these cases going back to September 2015.

In addition, Plaintiffs has requested the Court award an “incentive award.” This is additional compensation to them for the hours of extra work and the personal risks they assumed in bringing the lawsuit, which the rest of the class members did not have to do. For example, it is possible they could have been liable for the legal fees of the Defendants. The total amount sought for incentive awards is \$5,000 which is less than one percent of the total amount of money being paid out by Defendants.

The Court may award less than the above amounts for fees, costs and incentive awards.

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Defendants will not to oppose these fees and expenses, or incentive awards. If it does, extra money will be divided among the class members and the charitable organization.

OBJECTING TO THE SETTLEMENT

17. HOW DO I TELL THE COURT I DO NOT LIKE THE SETTLEMENT?

If you are a Class Member, you can object to the settlement if you do not like any part of it. This includes if you want to object the estimated payout to you is too low because you stayed at the Inn more times than listed in this Notice. You can give reasons why you think the Court should not approve it. The Court will consider your views. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement.

To object or have papers or briefs considered by the Court, you may file with the Court a written objection along with any papers for the Court to consider by **January 8, 2020**. To file the objection or other papers directly with the Court, follow the instructions for eFiling on this website:

<http://www.occourts.org/online-services/efiling/efiling-civil.html>.

Alternatively, you may deliver the objection papers by the above deadline to the Settlement Administrator: Gaubatz v. Garden Grove Inn, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606.

Finally, even if you have not done any of the above, you may still appear personally or through counsel and be heard at the Final Approval Hearing at the Court's discretion.

You should (but are not required to) serve by the above deadline copies of the Objection or other papers by United States Mail to the following:

Plaintiffs' Attorneys and Class Counsel:

Jeffrey Wilens, Esq.
LAKESHORE LAW CENTER
18340 Yorba Linda Blvd. Suite 107-610
Yorba Linda, CA 92886
Telephone: 714-854-7205
Facsimile: 714-854-7206
Email: jeff@lakeshorelaw.org

Defendants' Attorneys:

Scott M. Leavitt, Esq.
Daniels, Fine, Israel, Schonbuch
1801 Century Park East, 9th Floor
Los Angeles, CA 90067
Telephone: 310-556-7900
Facsimile: 310-556-2807
Email: leavitt@dfis-law.com

Any written objections or notice of intent to appear shall state each specific reason in support of your objection and any legal support for each objection.

18. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the

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Court that you do not want to be part of that Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Fairness Hearing on **March 27, 2020 at 9:00 a.m.** in Department CX-104 of the Orange County Superior Court, 751 West Santa Ana Blvd., Santa Ana, CA 92701. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Claster will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel and Plaintiffs. After the hearing, the Court will decide whether to approve the settlement. We do not know when he will issue his decision.

20. DO I HAVE TO COME TO THE FAIRNESS HEARING?

No. Class Counsel will answer questions Judge Claster may have. But, you are welcome to come at your own expense. If you send an Objection, you don't have to come to Court to talk about it. As long as you filed or delivered your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. MAY I SPEAK AT THE HEARING?

If you appear personally or through counsel at the Final Approval Hearing, you or your counsel may be allowed to speak at the Court's discretion.

GETTING MORE INFORMATION

22. ARE MORE DETAILS AVAILABLE?

Visit the website <https://www.lakeshorelaw.org/gardengroveinn> to find more information and copies of important court documents. You may also write to, email or call the Class Counsel Jeffrey Wilens at the contact information listed under item 17. Your communications with Class Counsel regarding this action will be confidential.

The pleadings and other records in this litigation may be examined online on the Orange County Superior Court "Civil Case and Document Access" at <http://www.occourts.org/online-services/case-access/>. Select "Civil Case & Document Access"; accept the terms, and enter the case number 30-2015-00809656-CU-BT-CXC. You can also visit the courthouse at 751 West Santa Ana Blvd., Santa Ana, California and contact the clerk's office to view the court files.

DO NOT ATTEMPT TO CONTACT THE JUDGE DIRECTLY.

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BY ORDER OF THE COURT:

Dated: November 5, 2019

by William D. Claster
Judge of the Superior Court