

**ADDENDUM TO STIPULATION
AND
SETTLEMENT AGREEMENT
DATED AS OF
DECEMBER 20, 2019**

ADDENDUM TO STIPULATION AND SETTLEMENT AGREEMENT

This Addendum Stipulation and Settlement Agreement (“Addendum”) is entered into as of December 20, 2019, by and between (1) Plaintiffs Lauren Byrne, Jenetta Bracy and Jennifer Disla, individually and on behalf of the Settlement Classes (Collectively “Plaintiffs”); (2) Adriana Ortega and Ashley Ingraham (Collectively “Objectors”) (3) Intervenors Meghan Herrera, Danielle Hach, Alisa Osborne, Carlie Zufelt, Gena Torres, Regina Cabral, Sabrina Preciado, individually and on behalf of the Intervenor Class (Collectively “Intervenors”) ; and (4) Defendants Santa Barbara Hospitality Services, Inc., The Spearmint Rhino Companies Worldwide, Inc., Spearmint Rhino Consulting Worldwide, Inc., Santa Barbara Hospitality Services, LLC, DG Hospitality Van Nuys, LLC, Rouge Gentlemen’s Club, Inc., , City of Industry Hospitality Venture, Inc., Farmdale Hospitality Services, Inc., High Expectations Hospitality, LLC, Inland Restaurant Venture I, Inc., Kentucky Hospitality Venture, LLC, L.C.M., LLC, Midnight Sun Enterprises, Inc., Nitelife, Inc., Olympic Avenue Venture, Inc., Wild Orchid, Inc., Rialto Pockets, Incorporated, Santa Barbara Hospitality Services, Inc., Santa Maria Restaurant Enterprises, Inc., Sarie’s Lounge, LLC, The Oxnard Hospitality Services, Inc., Washington Management, LLC, , World Class Venues, LLC, W.P.B. Hospitality, LLC, City of Industry Hospitality Venture, LLC, Farmdale Hospitality Services, LLC, High Expectations Hospitality Dallas, LLC, Inland Restaurant Venture I, LLC, Kentucky Hospitality Venture Lexington, LLC, LCM1, LLC, Midnight Sun Enterprises, LLC, Nitelife Minneapolis, LLC, Olympic Avenue Ventures, LLC, , Rialto Pockets, LLC, Santa Barbara Hospitality Services, LLC, Santa Maria Restaurant Enterprises, LLC, The Oxnard Hospitality Services, LLC, Washington Management Los Angeles, LLC, Wild Orchid Portland, LLC, World Class Venues Iowa, LLC, and WPB Hospitality West Palm Beach, LLC (Collectively “Defendants” and with Plaintiffs, Objectors and Intervenors, the “Parties”).

RECITALS

1. Plaintiffs, Defendants and Intervenor entered into a Stipulation and Settlement Agreement Dated October 4, 2017 (“Agreement”);
2. On October 20, 2017 the Court GRANTED:
 - a) Plaintiffs’ Unopposed Motion for Class Certification and Preliminary Approval of Settlement; and
 - b) Plaintiffs’ Motion for Leave to File a Second Amended Complaint.
3. Thereafter Notice was sent to the class as required along with Supplemental Notice and various intervening Orders were entered;
4. On February 5, 2018, Objector Ashley Ingraham filed an Objection (ECF No. 89); on February 16, 2018 Objector Adriana Ortega filed an Objection (ECF No. 90); and on January 22, 2018 Objector Shala Nelson filed an Objection (ECF No. 83);
5. On December 10, 2019 the Court held a hearing and GRANTED (ECF No. 178) the following:
 - a) Intervenor’s Motion to Strike Shala Nelson’s Objection (ECF No. 98);
 - b) Plaintiffs’ Motion for Final Approval of Class Settlement (ECF No. 93);
 - c) Intervenor’s Motion for Declaratory Judgment (ECF No. 91); and
 - d) Plaintiffs’ Motion to Amend (ECF No. 149).
6. After considering all of the relevant factors, including the Objections, the Court concluded in favor of final approval and found the Settlement Agreement to be “fair, reasonable and adequate to all concerned parties.” (ECF No. 178 at p. 18 of 25);
7. On January 11, 2019 Objectors Adriana Ortega and Ashley Ingraham appealed the Order granting final approval (ECF No. 178) and Judgment (ECF No. 179);

8. On May 22, 2019, Plaintiffs, Defendants and Objectors attended an all-day mediation in Boston, Massachusetts with experienced employment and class action mediator D. Charles Stohler. As a result of the all-day mediation, the Parties drafted a term sheet and thereafter through protracted, difficult and arm's length negotiations with ongoing participation by Mr. Stohler (See *Ortega* ECF No. 85), the Parties were able to accomplish 2 things:

- (i) The Plaintiffs, Defendants and Objectors in *Byrne* were able to improve the terms of the *Byrne* Settlement Agreement for the benefit of the class which resolved the Objections of Ortega and Ingraham;
- (ii) The Parties in *Ortega* were able to reach a separate settlement which will shortly, if not already, be submitted to the Court for Preliminary Approval. The *Ortega* settlement concerns a California class only and covers a different time period than *Byrne*; albeit with some overlap; and
- (iii) As a result of the improvements in the *Byrne* settlement, Ortega and Ingraham have agreed to withdraw their objections and dismiss their appeal (the Nelson Objection has been previously stricken) in this case (*i.e.*, *Byrne*), within ten (10) days of the Court conducting a status conference or otherwise acknowledging the resolution of the *Byrne* case and the withdrawal of the objections, or within ten (10) days of the third notice being distributed in *Byrne*, whichever is later.

AGREEMENT

NOW THEREFORE, in consideration of the good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows as related to the *Byrne* case:

1. Except as otherwise set forth herein, the Agreement previously approved and Final Judgment entered by the Court on December 13, 2018 (ECF No. 179), shall remain in full force and effect. Other than the improvements set forth herein, any contradictions between this Addendum and the Agreement shall be governed by the Agreement;

2. All terms capitalized herein shall have the same meaning as set forth in the Agreement;

3. As no Overhead Credits have been claimed following either the first or second notice referenced below, Overhead Credits will no longer be available. Accordingly, all Class Members who have not made claims or opted out, who were previously sent notice by Mail (first notice), then again by email (second notice), will be permitted to make claims for a monetary payment;

4. Notice of the right to submit a claim shall be mailed one time to the last known address of the class member following one search on the National Change of Address Registry (“NOCA”). This third notice will allow any class member who has not made a claim or opted out to make a claim. The Notice will not provide an opportunity to object or opt-out. All costs associated with the administration of settlement notice over and above the \$85,000 previously approved by the Court shall be borne by Defendants. A copy of the Third Notice is attached hereto as Exhibit “A” and a copy of the Claim Form is attached hereto as exhibit “B”;

5. Payments to *Byrne* and *Ortega* (*Ortega*’s payments to begin following the Effective Date, as that term is defined in her settlement agreement), shall be made as follows:

- (a) The claims administrator has verified that claims, after two rounds of notice in the *Byrne* case, total: \$449,124.88.
- (b) The Court has awarded service awards for a total of \$7,500, payable \$2,500 each to Jennifer Disla, Lauren Byrne and Janetta L. Bracy.
- (c) The Court has awarded attorneys' fees in the amount of \$1,700,000 to *Byrne* Class Counsel.
- (d) The Court has awarded litigation costs in the amount of \$19,646.86 to *Byrne* Class Counsel.
- (e) The claims resulting from the Third Notice are presently undetermined.
- (f) The Third Notice shall be mailed to the class members no later than ten (10) days after the Status Conference or the Court issues an Order or Minute Entry acknowledging resolution of the *Byrne* case. The class members shall then have thirty (30) days to return their claim form should they wish to submit a claim.
- (g) The Claims Administrator shall then verify any claims made within fifteen (15) days after the close of the claims period.
- (h) Defendants shall maintain the current funding for the *Byrne* and *Ortega* settlements in the Fortis LLP, attorney client trust account which as of December 16, 2019 is at least \$1.25M, and shall deposit \$150,000 towards the *Byrne* and *Ortega* settlements on a monthly basis into the Fortis LLP, attorney client trust account beginning January 31, 2020.
- (i) Defendants shall deposit not less than \$1,250,000.00 with the Claims Administrator within fifteen (15) days after the close of the claims period following the third notice.

- (j) 30 days after the end of the third *Byrne* claims period, all funds in the Fortis LLP, attorney client trust account shall be paid by the Claims Administrator towards Defendants' obligations under the *Byrne* settlement, except for \$800,000 which shall remain in escrow with the Settlement Claims Administrator.
- (k) 30 days after the first payment to the *Byrne* settlement, Defendants shall pay not less than \$150,000 per month towards their obligations in *Byrne* until Defendants have satisfied all payment obligations under the *Byrne* settlement.
- (l) Within 30 days of the Effective Date in *Ortega*, \$800,000 shall be paid under the *Ortega* settlement, pursuant to the terms of that Agreement.
- (m) 30 days after the final *Byrne* payment, after payment in full of *Byrne* claims, attorneys' fees and costs, Defendants shall pay not less than \$150,000 per month towards their obligations in *Ortega* until Defendants have satisfied all payment obligations under the *Ortega* settlement, consistent with the terms of the *Ortega* Agreement.
- (o) Defendants have restructured their operations in California. As such, all entertainers who perform at Defendants' clubs in California (with the exception of one) are now classified as W-2 employees. Consequently, Intervenor's interests are moot. Therefore, Intervenor agrees to withdraw their claims in the *Byrne* case.

Signature Pages to Follow

IT IS SO AGREED:

Dated: 1/04/2020

LAUREN BYRNE

By: 
Lauren Byrne

Dated: _____

JENETTA L. BRACY

By: _____
Jenetta L. Bracy

Dated: _____

JENNIFER DISLA

By: _____
Jennifer Disla

Dated: _____

HOUSTON ISABELLE

By: _____
Houston Isabelle

IT IS SO AGREED:

Dated: _____

LAUREN BYRNE

By: _____
Lauren Byrne

Dated: 12/20/2019

JENETTA L. BRACY

By: Jenetta Bracy
Jenetta L. Bracy

Dated: _____

JENNIFER DISLA

By: _____
Jennifer Disla

Dated: _____

HOUSTON ISABELLE

By: _____
Houston Isabelle

IT IS SO AGREED:

Dated: _____

LAUREN BYRNE

By: _____
Lauren Byrne

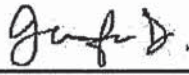
Dated: _____

JENETTA L. BRACY

By: _____
Jenetta L. Bracy

Dated: 12/30/2019

JENNIFER DISLA

By: 
Jennifer Disla

Dated: _____

HOUSTON ISABELLE

By: _____
Houston Isabelle

IT IS SO AGREED:

Dated: _____

LAUREN BYRNE

By: _____
Lauren Byrne

Dated: _____

JENETTA L. BRACY

By: _____
Jenetta L. Bracy

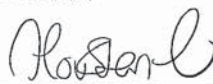
Dated: _____

JENNIFER DISLA

By: _____
Jennifer Disla

Dated: 12/24/2019

HOUSTON ISABELLE

By: 
Houston Isabelle

Dated: December 20, 2019

CITY OF INDUSTRY HOSPITALITY
VENTURE, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

FARMDALE HOSPITALITY SERVICES,
INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

HIGH EXPECTATIONS HOSPITALITY, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

INLAND RESTAURANT VENTURE I, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

KENTUCKY HOSPITALITY VENTURE,
LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 30, 2019

L.C.M., LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 30, 2019

MIDNIGHT SUN ENTERPRISES, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 30, 2019

NITELIFE, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 30, 2019

OLYMPIC AVENUE VENTURE, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 30, 2019

THE OXNARD HOSPITALITY SERVICES,
INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 30, 2019

PORTLAND HOSPITALITY VENTURE, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

RIALTO POCKETS, INCORPORATED

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

ROUGE GENTLEMEN'S CLUB, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

SANTA BARBARA HOSPITALITY
SERVICES, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

SANTA MARIA RESTAURANT
ENTERPRISES, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

SARIE'S LOUNGE, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 00, 2019

THE SPEARMINT RHINO COMPANIES
WORLDWIDE, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 00, 2019

SPEARMINT RHINO CONSULTING
WORLDWIDE, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 00, 2019

WPB HOSPITALITY, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 00, 2019

WASHINGTON MANAGEMENT, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 00, 2019

WILD ORCHID, INC.

By: 

Print Name: Kathy Vercher, President

Dated: December 20, 2019

WORLD CLASS VENTURES, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

CITY OF INDUSTRY HOSPITALITY
VENTURE, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

FARMDALE HOSPITALITY SERVICES,
LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

HIGH EXPECTATIONS HOSPITALITY
DALLAS, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

INLAND RESTAURANT VENTURE I, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 30, 2019

KENTUCKY HOSPITALITY VENTURE
LEXINGTON, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 30, 2019

LCM1, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 30, 2019

MIDNIGHT SUN ENTERPRISES, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 30, 2019

NITELIFE MINNEAPOLIS, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 30, 2019

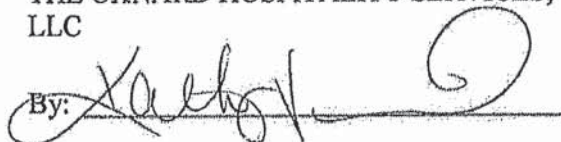
OLYMPIC AVENUE VENTURES, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

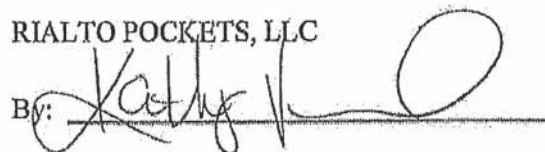
THE OXNARD HOSPITALITY SERVICES,
LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

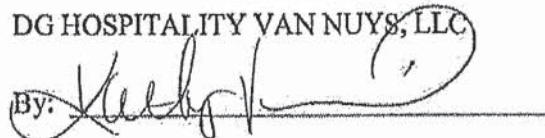
RIALTO POCKETS, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

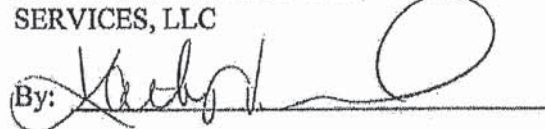
DG HOSPITALITY VAN NUYS, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

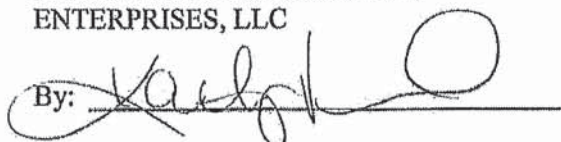
SANTA BARBARA HOSPITALITY
SERVICES, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

SANTA MARIA RESTAURANT
ENTERPRISES, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

WPB HOSPITALITY WEST PALM BEACH,
LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

WASHINGTON MANAGEMENT LOS
ANGELES, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

WILD ORCHID PORTLAND, LLC

By: 

Print Name: Kathy Vercher, Manager

Dated: December 20, 2019

WORLD CLASS VENUES IOWA, LLC

By: 

Print Name: Kathy Vercher, Manager

APPROVED AS TO FORM AND CONTENT:

Dated: December 20, 2019

FORTIS LLP

By: 

Peter E. Garrell
John M. Kennedy
Attorneys for Defendants and the Clubs

Dated: December 20, 2019

SHELLIST LAZARZ SLOBIN LLP

By: 

Todd Slobin
Ricardo J. Pileto
Melinda Arbuckle
Lead Class Counsel

Dated: December 20, 2019

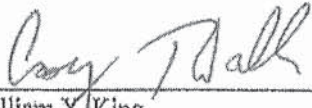
NAPOLI SHKOLNIK PLLC

By: 

Jennifer Liakos
Salvatore C. Badala
Paul B. Maslo
Co-Class Counsel

Dated: December ²⁰__, 2019

FELDMAN & FELDMAN, PC

By: 

William X. King
Casey T. Wallace
Counsel for Intervenor

Dated: December __, 2019

LICHTEN & LISS-RIORDAN, P.C.

By: _____
Shannon Liss-Riordan
Counsel for Objectors (Adriana Ortega
and Ashley Ingraham)

Dated: December __, 2019

FELDMAN & FELDMAN, PC

By: _____

William X. King
Casey T. Wallace
Counsel for Intervenor

Dated: December 20, 2019

LICHTEN & LISS-RIORDAN, P.C.

By: _____



Shannon Liss-Riordan
Counsel for Objectors (Adriana Ortega
and Ashley Ingraham)

EXHIBIT “A”

[Date####]

**IMPORTANT INFORMATION FOR CURRENT AND FORMER DANCERS AT
SPEARMINT RHINO-AFFILIATED CLUBS**

**THIRD NOTICE OF CLASS ACTION SETTLEMENT AND
AVAILABILITY OF SETTLEMENT FUNDS**

Lauren Byrne v. Santa Barbara Hospitality, Inc., et al.

Case No. 5:17-CV-00527 JGB (KKx)

United States District Court for the Central District of California

TO: Current and Former Dancers at Spearmint Rhino-Affiliated Clubs:

This is an additional notice that there is a class action settlement in a wage-and-hour case brought on behalf of exotic dancers who have worked for Spearmint Rhino-affiliated clubs. **If you worked as an Entertainer for a Spearmint Rhino-affiliated club from February 3, 2013 to October 30, 2017, you are eligible to receive funds from this settlement.**

To receive your share of the settlement, you must return the attached forms as soon as possible by mail, email, or facsimile to:

Kurtzman Carson Consultants, LLC (KCC, LLC)
Settlement Administrator
P.O. Box 404017
Louisville, KY 40204
[email, and fax #]

The deadline to claim your share of the settlement is ____ [date]. If you do not return the form by ____ [date], you will not receive your share of the settlement, but you are considered to have released all of your state law claims against the Spearmint Rhino-affiliated Clubs that were asserted on your behalf in this case.

I. DESCRIPTION OF THE LAWSUIT AND THE SETTLEMENT

The plaintiffs who brought this lawsuit claimed that entertainers at Spearmint Rhino-affiliated clubs were misclassified as “LLC Members” of the Clubs, and that they were actually employees entitled to protections of the wage laws. The clubs denied these claims and contended that pursuant to a prior court order the clubs were permitted to give all entertainers a choice between being an LLC member and employee and at all times paid their employees fairly and according to the law.

The Court overseeing this lawsuit approved a class action settlement on December 14, 2018. You should have previously received notice of this settlement in 2018, first by mail, then again by email. However, our records indicate that you did not opt out of the settlement or claim your share of the settlement funds prior to the original deadline. Because you failed to exclude

yourself from the Settlement Class in response to the prior notice, and because the Court already approved this settlement, you have already been deemed to have waived your state law wage claims related to your alleged misclassification as an LLC member. **This Additional Notice provides you with a third opportunity to obtain payment for your release of claims.**

If you submit the enclosed Claim Form by ____[date], you will receive a cash share from the Settlement Fund, based on the number of days that you performed at a Spearmint Rhino-affiliated club.

All Class Members who submit Claim Forms shall also be deemed to have opted in to the FLSA Settlement Class and shall be deemed to have released all claims relating to the FLSA.

II. PROCESS TO CLAIM YOUR SHARE OF THE SETTLEMENT

If you submit the enclosed Claim Form, you will receive a settlement share worth approximately \$6.90 and \$11.93 per dance day that you worked. You must complete and mail or email the Claim/Credit Benefit Form (which is attached with this Class Notice) to the Settlement Administrator at the address listed below.

Lauren Byrne v. Santa Barbara Hospitality, Inc., et al.
Jenetta L. Bracy v. DG Hospitality Van Nuys, LLC, et al.

KCC, LLC

[ADD EMAIL ADDRESS]

Settlement Administrator

Address: P.O. Box 404017

Louisville, KY 40204

Phone: 866-644-9959

YOUR CLAIM FORM MUST BE EMAILED OR MAILED BACK TO THE CLAIMS ADMINISTRATOR ON OR BEFORE [30 DAY NOTICE PERIOD].

The Settlement Administrator will issue 1099 forms or other applicable tax forms to each recipient of any monies paid under the Settlement.

III. OBTAINING ADDITIONAL INFORMATION ABOUT THE SETTLEMENT

The Settlement Administrator, **KCC, LLC**, responsible for collecting Claim Forms and distributing settlement funds can be reached at: [Email and Phone Number]

The attorneys representing the class can be reached at:

CLASS COUNSEL

Todd Slobin, Esq.

Ricardo J. Prieto, Esq.

Melinda Arbuckle, Esq.

SHELLIST | LAZARZ | SLOBIN LLP

11 Greenway Plaza, Suite 1515

Houston, TX 77046

Salvatore C. Badala, Esq.
Paul B. Maslo, Esq.
Napoli Shkolnik PLLC
360 Lexington Avenue
New York, NY 10017

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS CLASS NOTICE

EXHIBIT “B”

CLASS ACTION CLAIM FORM

**COMPLETE EACH OF THE FOLLOWING IN ORDER TO BE ELIGIBLE FOR
A CASH PAYMENT**

**YOU MUST COMPLETE, SIGN AND MAIL THIS CLAIM FORM BY FIRST CLASS
MAIL OR EQUIVALENT, POSTAGE PAID POSTMARKED ON OR BEFORE
_____, 2020 ADDRESSED AS FOLLOWS, IN ORDER TO BE ELIGIBLE TO
RECEIVE RECOVERY, OR SEE DOCUMENTS AT
www.kccllc.com/performersettlement.**

MAIL TO:

Kurtzman Carson Consultants, LLC (KCC, LLC)
Settlement Administrator
P.O. Box 404017
Louisville, KY 40204
[email, and fax #]

**Failure to Complete All Sections Or Failure to Submit This Claim Form and
accompanying W-9 Before the Deadline Will Result in Denial of Your Claim. *Please Print
Clearly. Note:* You will be taxed on any Settlement payment monies you are paid and will
receive a Form 1099.**

SECTION A: CLAIMANT INFORMATION

Name/Address Change, if any (*please print*)

<First Name> <Last Name> _____
<Address 1> _____
<City>, <State> <Zip> _____

If the pre-printed address above on the left is incorrect or out of date or if there is no pre-printed data, YOU MUST provide your current name and address on the blank lines to the right above. If you move after submitting this form and prior to receiving payment, please send the Settlement Administrator your new address. You are responsible for ensuring the Settlement Administrator has your current and correct address.