

**IN THE CIRCUIT COURT OF THE THIRTEENTH JUDICIAL CIRCUIT  
HILLSBOROUGH COUNTY, FLORIDA  
GENERAL CIVIL DIVISION**

FERNANDEZ FORESTAL, on behalf of  
himself and all others similarly situated,

Plaintiff,

vs.

SH GROUP OPERATIONS, L.L.C., and  
STERLING INFOSYSTEMS, INC

Defendant.

Case No.: 23-CA-013634

**CLASS SETTLEMENT AGREEMENT AND RELEASE**

This matter has been resolved by compromise and, subject to Court approval of the terms and conditions of this Settlement Agreement (“Settlement Agreement”), is made and entered into, as of January 22, 2024, by and among, on the one hand, Plaintiff Fernandez Forestal, on behalf of himself, his heirs, executors, administrators, successors, and assigns (“Named Plaintiff”) and the putative Settlement Class as defined below (the “Settlement Class” and, with the Named Plaintiff, the “Plaintiffs”), and, on the other hand, SH Group Operations, LLC, 1 SB Lessee LLC SB Hotel Owner, L.P., and Sterling Infosystems, Inc. (“SH Group” or “Sterling” or collectively “Defendants”). Plaintiffs and Defendants are collectively referred to herein as the “Parties.” This Settlement Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Action and the Released Claims (as defined below), subject to the terms and conditions set forth herein.

1. **Recitals.** This Agreement is made with reference to the following:
  - a. On August 11, 2023, Plaintiffs filed a Complaint against Defendant SH Group Operations, L.L.C. and Sterling Infosystems, Inc. in the Thirteenth Judicial Circuit in and for Hillsborough County, Case No.: 23-CA-013634. Plaintiffs alleged that Defendants SH Group and Sterling willfully failed to comply with certain requirements of the Fair Credit Reporting Act (“FCRA”).
  - b. Defendants deny all allegations, claims, and charges of wrongdoing or liability arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged in the Action, and affirmatively state that they had numerous legal and factual defenses to the Released Claims asserted by Plaintiffs. Defendants believe that were this Action to proceed, class certification would be denied and they would prevail on a motion for summary judgment and/or at trial. Defendants, however, have

agreed to resolve this Action solely to avoid further fees and expenses and to bring closure to the Action. This Settlement Agreement constitutes a compromise settlement of disputed claims and shall not be deemed or construed to be an admission or acknowledgment of liability on any allegations or claim asserted in the Action or which could have been asserted in the Action.

- c. There has been no determination on the merits of the Action, including but not limited to whether this Action should properly proceed on a class basis.

2. **Definitions.** The defined terms set forth in this Agreement have the meanings ascribed to them below and in the preamble to the Agreement:

- a. **"Action"** or **"Litigation"** means the case styled Fernandez Forestal, on behalf of himself and all others similarly situated v. SH Group Operations, LLC and Sterling Infosystems, Inc., Case No. 23-CA-13634, pending in the Circuit Court of the Thirteenth Judicial Circuit, Hillsborough County, Florida.
- b. **"Administrative Costs"** means all amounts owed to the Settlement Administrator for administering this Settlement Agreement.
- c. **"Class Counsel"** means Marc Edelman, Morgan & Morgan, P.A.
- d. **"Class List"** means the list of Settlement Class Members to be delivered by the Defendants to the Settlement Administrator as set forth herein.
- e. **"Class Member" or "Settlement Class Member"** means any member of the Settlement Class or SH Group Subclass, as defined below, but does not include those individuals who timely opt out of the Settlement by submitting a valid Request for Exclusion, as set forth in this Agreement.
- f. **"Effective Date"** of this Settlement Agreement means the date on which Judgment approving this Settlement becomes Final.
- g. **"FCRA"** means the Fair Credit Reporting Act, 15 U.S.C. § 1681a-x *et seq.*
- h. **"Final"** means the Effective Date if there are no objectors or intervenors to the Settlement. If a Class Member objects to or appeals the Settlement, "Final" means the date on which all appellate rights with respect to the Judgment have expired or have been exhausted in such a manner as to affirm the Judgment."
- i. **"Final Approval Hearing"** means the hearing to be scheduled to consider final approval of the Settlement and awards to the Class Representative and Class Counsel.

- j. **“Final Approval Order”** or **“Judgment”** means a judgment and order of dismissal entered by the Court in the Action granting final approval of the Settlement and entering a judgment according to the terms set forth in this Settlement.
- k. **“Named Plaintiff”** or **“Class Representative”** means Fernandez Forestal.
- l. **“Notice”** or **“Settlement Notice”** means the form of notice to be provided to the Settlement Class by the Settlement Administrator after preliminary approval of this Settlement by the Court, as further described in this Agreement, and substantially in the form attached as Exhibit 1.
- m. **“Objection”** means a written objection made by a Class Member to this Settlement, and submitted in accordance with the procedures identified herein.
- n. **“Objection Deadline”** means the date sixty (60) days after the date of the Notice by which all objections must be submitted.
- o. **“Objector”** means a Class Member who has submitted an Objection.
- p. **“Opt-Out Deadline”** means the date sixty (60) days after the date of the Notice by which all Requests for Exclusion must be submitted electronically or postmarked and sent to the Settlement Administrator.
- q. **“Preliminary Approval Order”** means the order proposed and submitted by the Parties as set forth herein.
- r. **“Released Claims”** means all class action and individual claims that were or could have been brought in the Action under 15 U.S.C. §§ 1681a–x of the FCRA, and similar claims under any state law, including but not limited to California’s Consumer Credit Reporting Agencies Act (“CCRAA”) and Investigative Consumer Reporting Agencies Act (“ICRAA”) All Settlement Class Members release their right to bring a class action or individual action as well as the ability to seek actual, statutory and/or punitive damages and any other remedy based upon such Released Claims, except as to those claims that have been filed or of which Defendants have already been made aware in writing.
- s. **“Released Parties”** means Sterling and SH Group, 1 SB Lessee LLC SB Hotel Owner, L.P., Kiosite, LLC, and their past, current and former parents, affiliates, divisions, predecessors, successors, assigns, assignees, subsidiaries, insurers, reinsurers, beneficiaries, directors, officers, shareholders, members, control persons, employees, agents, advisors, representatives, consultants, accountants, associates, and attorneys both individually and in their professional capacities. This definition excludes any unaffiliated and unnamed customers or subscribers.

- t. **“Request for Exclusion”** means a written or electronic opt-out request submitted to the Settlement Administrator with the following information: (1) an identifying reference to the case; (2) the Class Member’s full name; (3) the Class Member’s current mailing address; (4) the Class Member’s telephone number; (5) the last four digits of the Class Member’s Social Security Number; (6) a statement of the Class Member’s desire to be excluded from the Settlement Class; and (7) the Class Member’s signature or the signature of an authorized representative.
- u. **“Release and No Rehire Compensation”** means the one-time payment to the Named Plaintiff for agreeing to release SH Group, 1 SB Lessee LLC, and SB Hotel Owner, L.P. from employment-related claims, agreeing not to re-enter their premises, and agreeing not to re-apply for employment. Additionally, Plaintiff agrees he will not in the future seek employment or independent contractor position with Sterling.
- v. **“Settlement,” “Settlement Agreement,” or “Agreement”** means the terms and conditions of settlement as described in the Class Settlement Agreement and Release, which includes all its Recitals, Definitions, and the attached Exhibits.
- w. **“Settlement Administrator”** means American Legal Claims Services (“ALCS”).
- x. **“Settlement Class,”** which the Parties state consists of 2,712 individuals, shall be defined as:

All individuals in the United States who were the subject of a consumer report furnished by Sterling to Kiosite, LLC between December 9, 2019 and November 6, 2022, excluding any employees, officers, or directors of the Sterling, any attorney appearing in this case, and any judge assigned to hear this action, together with their immediate family members and any persons employed by him or her.
- y. **“SH Group Subclass,”** which the Parties state consists of 212 individuals, shall be defined as:

All individuals in the Settlement Class who were the subject of a consumer report procured by SH Group from Kiosite, LLC for employment purposes between December 9, 2019 and November 6, 2022, excluding any employees, officers, or directors of the SH Group, any attorney appearing in this case, and any judge assigned to hear this action, together with their immediate family members and any persons employed by him or her.
- z. **“Settlement Fund” or “Gross Settlement Amount”** means the fund that will be established and maintained to resolve the contested claims at issue in this Litigation, and which the Parties intend to be a qualified settlement fund within the meaning of Internal Revenue Code § 468B and Treasury

Regulation § 1.468B-1. Defendants will transfer Six Hundred and Thirty Thousand Dollars and Zero Cents (\$630,000.00) to the Settlement Fund to resolve the Released Claims. This sum shall include all payments made to Settlement Class Members, any Service Award, Administrative Costs, and any attorneys' fees and costs as set forth below. In no event shall Defendants be required to pay any amount greater than that set forth in this paragraph.

3. **Consideration.** In consideration for signing this Agreement, and complying with its terms, including, but not limited to Plaintiff and Class Counsel providing W-9 forms to Defendants, Defendants agree to pay into the Settlement Fund the amount of Six Hundred and Thirty Thousand Dollars and Zero Cents (\$630,000.00). Settlement Class members shall receive their payment after the Settlement Fund is reduced by (a) attorneys' fees not to exceed one third of the Settlement Fund, plus costs incurred in the prosecution of the claims, as approved by the Court; (b) a Service Award to Plaintiff, subject to Court approval; and (c) Administrative Costs. The Parties shall mutually agree to a *cy pres* recipient for any unclaimed funds.
4. **Administration of Settlement.** The Parties have jointly agreed upon ALCS as the Settlement Administrator. All Administrative Costs shall come from the Settlement Fund.
  - a. Defendants shall provide the Settlement Administrator with the last known contact information for Settlement Class Members, which is expected to include e-mail and/or street address.
  - b. Notices shall be distributed by email notice to the last available email address. To the extent email address is not available, a postcard notice shall be sent to such Class Member's last known mailing address.
  - c. A settlement website shall be established upon which details of the Settlement will be made available.
5. **Allocation of Settlement Fund.** All Class Members who do not submit a timely and compliant Request for Exclusion will be entitled to receive compensation from the Settlement Fund. Each Settlement Class Member shall receive a payment equal to one *pro rata* share of the disburseable funds. Each SH Group Subclass Member shall receive a payment equal to two *pro rata* shares.
6. **Preliminary Approval Order.** On execution of this Settlement Agreement, Plaintiffs shall file with the Court the proposed Preliminary Approval Order and other necessary documents in support of preliminary approval. It is contemplated that the consent motion for preliminary approval will be filed contemporaneously with the filing of this Settlement Agreement. Plaintiffs shall submit to the Court the Settlement Agreement, together with its Exhibits, and shall apply for entry of the Preliminary Approval Order, substantially in the form and content of Exhibit 2 hereto, requesting, *inter alia*, (a) preliminary approval of the Settlement;

(b) preliminary certification of the Settlement Class and SH Group Subclass pursuant to Rule 1.220 solely for purposes of settlement only; (c) appointing Class Counsel as counsel for the Settlement Class; (d) approval for the distribution of the Notice substantially in the form and content of Exhibit 1 hereto, and directing the mailing of the Notice by the Settlement Administrator; and (d) a time and date for the Final Approval Hearing. Within fourteen (14) days of the entry of the Preliminary Approval Order, Defendants shall provide to the Settlement Administrator the Class List.

7. **Duties of the Parties Following Preliminary Approval Order.** Within seven (7) days of receipt of the Class List, the Settlement Administrator shall send the Notice to the Settlement Class Members. The Notice shall first be sent by e-mail. For any e-mails that are not deliverable, the Settlement Administrator shall send a first class postcard notice to such Class Member's last known addresses. If the mailing is returned as undeliverable and no forwarding address is provided, the Settlement Administrator shall perform a standard electronic search, including, but not limited to, reviewing the National Change of Address Registry to attempt to determine the most current mailing address and shall resend the Notice to that address. The Settlement Administrator is only required to attempt to locate a current mailing address and resend the Notice once for each Class Member. The Parties agree that the deadlines contained herein shall not be extended for Class Members whose Notices were returned as undeliverable and re-mailed pursuant to this paragraph. No Class Member shall be subject to any coercion or retaliation of any kind based on their decision to participate or not to participate in or claim funds provided by this Agreement.
8. **Procedure to Opt-Out of the Settlement.** Class Members will have 60 days from the date Notice is sent to submit a Request for Exclusion. A Settlement Class Member may request to be excluded from the Settlement Class by sending a written or electronic request for exclusion to the Settlement Administrator. To be effective, the Settlement Class Member's Request for Exclusion must contain: (1) an identifying reference to the case; (2) the Class Member's full name; (3) the Class Member's current mailing address; (4) the Class Member's telephone number; (5) the last four digits of the Class Member's Social Security Number; (6) a statement of the Class Member's desire to be excluded from the Settlement Class; and (7) the Class Member's signature or the signature of an authorized representative. Requests for Exclusion must be postmarked no later than the Opt-Out Deadline, or the deadline set by the Court in the Preliminary Approval Order. In no event shall persons who purport to opt out of the Settlement Class as a group, on an aggregate basis or as a class involving more than one Class Member be considered valid Opt-Outs. Requests for Exclusion that do not comply with any of the foregoing requirements are invalid. No later than seven (7) business days after the deadline for submission of a request to opt out, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a complete list of all Requests for Exclusion, together with copies of the opt-out requests. Class Members who do not submit a timely Request for Exclusion shall be bound by the terms of this Settlement Agreement and shall have released each of the Released Claims. If the

number of valid Requests for Exclusion exceeds twenty (20), then Defendants may in their discretion rescind this Agreement.

9. **Procedure to Object to the Settlement.** Class Members will have 60 days from the date Notice is sent to object to the Settlement. Any Settlement Class Member who wishes to object to the Settlement may do so by filing with the Clerk of Court a notice of their intention to object (which shall set forth each objection and the basis therefore and containing the objecting Class Member's original signature), along with any papers in support of their position. The Settlement Administrator must be copied on any Objection filed with the Clerk of Court. Objections must be mailed so that they are postmarked no later than the Objection Deadline, or the deadline set by the Court in the Preliminary Approval Order. Objections to Class Counsel's attorneys' fees may be supplemented up to seven (7) days after the filing of a motion for such fees to address additional information or materials in the motion. Objections must indicate whether the Class member and/or their attorney(s) intends to appear at the Final Approval Hearing, and must identify any documents the attorney(s) intend to introduce at the Final Approval Hearing. Any attorney who intends to appear at the Final Approval Hearing must enter a written Notice of Appearance of Counsel with the Clerk of Court no later than the deadline set by the Court in the Preliminary Approval Order. Any individual who fails to comply with this requirement will be deemed to have waived any right to submit an Objection.
  
10. **Motion for Final Approval of Settlement.** Within fifteen (15) days after the expiration of the Opt-Out Deadline and Objection Deadline, the Parties will jointly file a Motion for Final Approval with the proposed Final Approval Order. In connection with that Motion for Final Approval, the Parties shall file a declaration outlining the completion of the Notice plan outlined above. The Parties shall also file with the Court the names of: (1) Class Members who submitted timely and valid Requests for Exclusion; and (2) Class Members who submitted valid Objections. The Parties shall also advise the Court of the number of Class Members who did not seek to be excluded or object to the settlement and hence are part of the Settlement Class.  
  
Through the motion, the Parties will apply to the Court for a Final Approval Order that accomplishes the following:
  - a. Excludes those Class Members who submitted timely and valid Requests for Exclusion as provided in Rule 1.220; and
  - b. Dismisses this Action with prejudice and permanently bars all Settlement Class Members who did not exclude themselves from this Settlement Agreement from bringing and prosecuting any of the Released Claims.
  
11. **Settlement Payments.** Within fourteen (14) days after the Effective Date, Defendants shall deposit the Settlement Fund. Within fourteen (14) days of the

delivery of the Settlement Fund, the Settlement Administrator will distribute all settlement payments, Plaintiff's service award, and attorneys' fees and costs.

Class Members shall have 90 days after the date on the check to cash their settlement checks. If any Class Members do not cash their checks within 90 days after the date on the check and their check is not returned, their checks will be voided and a stop-payment will be placed. Any funds from checks that are not cashed will be designated for the agreed-upon *cypres* recipient. In such event, those Class Members will be deemed to have waived irrevocably any right in or claim to a share of the Settlement Fund, but this Agreement and the Released Claims contained herein will nevertheless be binding upon them.

12. **Tax Responsibility.** Plaintiffs agree the settlement payments are not wages and therefore W-2s shall not be issued. Class Members agree that they will be exclusively responsible for the payment of any and all taxes owed on any amounts paid to them under the terms of this Agreement. Defendants make no representations as to the taxability of the amounts paid to Plaintiff, Class Members, or their Counsel. Plaintiff and Class Members agree to pay their portion of federal, state or local taxes, if any, which are required to be paid with respect to this Agreement. Moreover, Plaintiff and Class Members agree to indemnify Defendants and hold it/them harmless from any interest, taxes, or penalties assessed against it/them by any governmental agency as the result of the non-payment of taxes on any amounts paid to them or their counsel under this Agreement.
13. **No Consideration Absent Execution of this Agreement.** Plaintiff understands and agrees that Plaintiff and Class Members would not receive the monies and/or benefits specified in Section 3 above, except for his execution of this Agreement and the fulfillment of the promises contained herein.
14. **Release of Claims by Class Members.** Upon dismissal of the Action with prejudice, each member of the Settlement Class who has not validly opted out of the Settlement agrees to fully and forever release, waive, and acquit and discharge Defendants and the Released Parties from any and claims encompassed by the Released Claims. The Class Members acknowledge, agree and understand that they are estopped from bringing any subsequent action or suit against the Released Parties on any and all such claims or later contending they are entitled to any such damages.
  - a. **Governmental Agencies.** Nothing in this Agreement prohibits or prevents Plaintiff from filing a charge with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before any federal, state, or local government agency (*e.g.*, DOL, EEOC, NLRB, SEC, *etc.*), nor does anything in this Agreement preclude, prohibit, or otherwise limit, in any way, Plaintiff's rights and abilities to contact, communicate with, report matters to, or otherwise participate in any investigation. However, to the maximum extent permitted by law, Plaintiff agrees that if such an



administrative claim is made, Plaintiff shall not be entitled to recover any individual monetary relief or other individual remedies.

- b. Collective/Class Action Waiver. If any claim is not subject to release, to the extent permitted by law, Plaintiff waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Defendants or any other Released Party is a party.

15. **Acknowledgments and Affirmations**. Plaintiff affirms that he has not filed, caused to be filed, and presently is not a party to any claim against Defendants, except the Action which will be dismissed pursuant to the terms of this Agreement with prejudice. Plaintiff acknowledges this Settlement Agreement is intended to encompass all FCRA related claims against Releasees arising out of Plaintiff's application for employment and subsequent termination of employment.
16. **Waiver of Future Employment**. Plaintiff expressly waives any employment-related claims, a claim of right to employment, and/or re-entry with SH Group, 1 SB Lessee LLC, and SB Hotel Owner, L.P. and agrees not in the future to apply for employment or an independent contractor position Sterling., The Parties agree that the Parties have irreconcilable differences.
17. **Mutual Full Cooperation**. The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including but not limited to, execution of such documents and taking such other action as may be reasonably necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as practicable after execution of this Agreement, Class Counsel shall, with the assistance and cooperation of Defendants and their counsel, take all necessary steps to ensure final dismissal of the Action with prejudice.
18. **Jurisdiction**. This Agreement shall be governed and conformed in accordance with the laws of the State of Florida without regard to its conflict of laws provision. In the event of a breach of any provision of this Agreement, any Party may institute an action with this Court specifically to enforce any term or terms of this Agreement and/or to seek any damages for breach. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.
19. **Nonadmission of Wrongdoing**. The Parties agree that neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed at any time for any purpose as an admission by Defendants or the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind. The

Parties also agree that nothing about this Agreement shall be offered or construed as an admission or evidence of the propriety or feasibility of certifying a class in this Action or any other action for adversarial, rather than settlement purposes. While Defendants have stipulated that class certification is appropriate solely for settlement purposes, this stipulation is solely for purposes of settlement and Defendants maintains that class certification would be inappropriate if the Parties were to continue litigating this Action.

20. **Non-Publicity.** The Parties shall not issue any press releases, website advertisements, or otherwise in which the other Party is identified. Nothing in this provision shall be construed to limit the ability of Plaintiff or Class Counsel to discuss this settlement in full detail with Class Members.
21. **Counterparts.** This Agreement may be executed in one or more counterparts by facsimile or email. All executed copies of this Agreement and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.
22. **Amendment.** This Agreement may not be modified, altered or changed except in writing and signed by the Parties wherein specific reference is made to this Agreement.
23. **Entire Agreement.** This Agreement sets forth the entire agreement between the Parties hereto, and fully supersedes any prior agreements or understandings between the Parties. Plaintiff acknowledges that Plaintiff has not relied on any representations, promises, or agreements of any kind made to Plaintiff in connection with his decision to accept this Agreement, except for those set forth in this Agreement.

THE SIGNATORIES HAVE CAREFULLY READ THIS ENTIRE CLASS SETTLEMENT AGREEMENT. THE PARTIES HAVE BEEN REPRESENTED BY COUNSEL THROUGHOUT THE NEGOTIATION OF THIS AGREEMENT, AND HAVE CONSULTED WITH THEIR ATTORNEYS BEFORE SIGNING THIS AGREEMENT. THE PARTIES FULLY UNDERSTAND THE FINAL AND BINDING EFFECT OF THIS AGREEMENT. THE ONLY PROMISES OR REPRESENTATIONS MADE TO ANY SIGNATORY ABOUT THIS AGREEMENT ARE CONTAINED IN THIS AGREEMENT.

HAVING ELECTED TO EXECUTE THIS CLASS SETTLEMENT AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE SETTLEMENT SUMS AND BENEFITS SET FORTH HEREIN, PLAINTIFF FREELY AND KNOWINGLY AND AFTER DUE CONSIDERATION, ENTERS INTO THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS HE HAS OR MIGHT HAVE AGAINST RELEASEES. THE PARTIES ARE SIGNING THIS AGREEMENT VOLUNTARILY AND KNOWINGLY.

1/24/2024  
Dated: \_\_\_\_\_

**Fernandez Forestal**

*Fernandez Forestal*  
Sign: \_\_\_\_\_

Fernandez Forestal  
Print: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**SH Group Operations, L.L.C.**

*Milton Sgarbi*  
Sign: \_\_\_\_\_

Print: Milton Sgarbi

Title: VP of Operations

Dated: January 22, 2024  
\_\_\_\_\_

**Sterling Infosystems, Inc.**

DocuSigned by:  
*Theresa Strong*  
Sign: \_\_\_\_\_  
E27408ED23FB424...

Print: Theresa Neri Strong

Title: Chief Accounting Officer