

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Melissa Arfat (“Plaintiff”) v. Farmdale Hospitality Services, Inc., et al, inclusive, (“Defendants”),
Los Angeles County Superior Court Case No. BC 367741

Class Member ID: «Member_ID» ████
«First_Name» «Last_Name»
«Address1»
«City», «State» «Zip»

THIS NOTICE IS ADDRESSED TO ALL PERSONS WHO WORK OR WHO HAVE WORKED FOR FARMDALE HOSPITALITY SERVICES, INC. LOCATED AT 6872 FARMDALE AVENUE, NORTH HOLLYWOOD, CALIFORNIA AT ANY TIME BETWEEN MARCH 12, 2003 UP TO AND INCLUDING JUNE 30, 2007.

The Los Angeles County Superior Court has granted preliminary approval to a proposed settlement (the “Settlement”) of a class action lawsuit against Defendants. Because your rights may be affected by this Settlement, it is extremely important that you read this Notice carefully.

The following Class has been certified for settlement purposes only:

The group of individuals, some or all of whom entered into Dancer Performance Leases and who worked as exotic dancers and who have provided nude, semi-nude and/or bikini entertainment for customers at the Club for a period of time from March 12, 2003 up to and including June 30, 2007 and who have filed a claim with the Class Administrator during the Claim Period. Individuals meeting this definition shall be known as “Class Member(s).” Included within the Class shall also be the legal representatives of the estates of any Class Members who are deceased.

According to Defendants’ records, you fall within the Class. The purpose of this Notice is to provide a brief description of the claims alleged in the Lawsuit, inform you about the proposed settlement, and inform you about your rights and options with respect to the Lawsuit and the proposed settlement.

You must file a Claim by December 15, 2007 to participate in the settlement. If you fail to file a valid and timely claim, you will receive nothing under the settlement.

A. DESCRIPTION OF THE LAWSUIT.

The Plaintiff contends that persons who worked as dancers at the adult cabaret located at 6872 Farmdale Avenue, North Hollywood, California (the “Club”) should have been treated as employees rather than independent contractors, and as a result were entitled to but did not receive adequate compensation and benefits in exchange for the services they provided to the Club. Defendants in the Lawsuit, dispute and deny any and all claims asserted in the Lawsuit. Defendants deny that they have engaged in any wrongdoing, and deny that they are liable to the Class Members in any way.

The Los Angeles County Superior Court has *not* ruled on the merits of Plaintiffs’ claims.

The attorney representing the Plaintiffs and the Class in this Lawsuit is:

Stephen M. Harris, Esq.
Knapp, Petersen & Clarke
A Professional Corporation
500 N. Brand Boulevard
Twentieth Floor
Glendale, CA 91203-1904
Telephone: (818) 547-5149

The attorneys representing Defendants are:

Peter E. Garrell, Esq.
Margaret P. Stevens, Esq.
LINER YANKELEVITZ
SUNSHINE & REGENSTREIF LLP
1100 Glendon Avenue, 14th Floor
Los Angeles, California 90024-3503
Telephone: (310) 500-3500

On October 15, 2007 the Los Angeles County Superior Court granted preliminary approval of the proposed settlement of this Lawsuit. The Court will decide whether or not to grant final approval to the settlement at a hearing scheduled for January 14, 2008 at 10:00 a.m., before the Hon. Soussan G. Bruguera in Department 71 of the Los Angeles County Superior Court, Central District, located at 111 North Hill Street, Los Angeles, CA 90012.

YOU SHOULD NOT CONTACT THE COURT REGARDING QUESTIONS RELATED TO THIS MATTER.

B. SUMMARY OF PROPOSED SETTLEMENT TERMS

1. The Settlement provides that each Class Member shall be paid the sum of \$6.81 for each shift worked at the Club from a settlement fund that, including attorneys' fees, shall not exceed \$350,000.
2. If the Court approves the Settlement Agreement, future lawsuits by Class Members related to any claims, rights, debts, actions or causes of action, of any kind or nature whatsoever, which arose or may have arisen, in connection with work performed at the Club by Class Members, will be prohibited.
3. The Settlement Funds shall be used solely to pay the following, as directed by the court:
 - a. The timely and valid claims of the Class Members;
 - b. The attorneys' fees and costs of Class Counsel, as approved by the court, not to exceed \$100,000.00;
4. If you are a Class Member and submit a valid and timely Claim Form you will receive the sum of \$6.81 for each shift worked at the Club from a settlement fund that, including attorneys' fees, shall not exceed \$350,000.
5. Defendants have denied that they have any liability as a result of the claims brought in the Lawsuit.

C. TO RECEIVE MONEY AND CLAIM YOUR SHARE OF THE SETTLEMENT

If you want to claim your share of the settlement, you must complete and mail the Claim Form (which is enclosed with this Notice) to the Class Administrator at the address listed below.

Arfat v. Farmdale Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045
(310) 337-0640

**YOUR CLAIM MUST BE POSTMARKED ON OR BEFORE DECEMBER 15, 2007
TO RECEIVE MONEY**

If you file the Claim Form, you will be bound by all the terms of the Settlement, including a full release of claims that will prevent you from suing Defendants, its employees, officers, directors, parent companies, or any other related persons or entities for the matters being settled in this Lawsuit.

D. TO OBJECT TO THE SETTLEMENT

If you believe the settlement is unfair or inadequate in any respect, you may object to the settlement by filing a written objection with the Los Angeles County Superior Court and mailing a copy of your objection to Class Counsel, counsel for Defendants, and to the Class Administrator at the addresses listed above. All objections must be signed and set forth your name, address, telephone number, social security number and the name of the case *Melissa Arfat ("Plaintiff") v. Farmdale Hospitality Services, Inc., et al., inclusive, ("Defendants")*, Los Angeles County Superior Court Case No. Case No. BC 367741

All objections must be filed with the court no later than fifteen (15) days after notice is served on class members. Copies of your objections mailed to Class Counsel, counsel for Defendants and the Class Administrator must be postmarked no later than December 15, 2007. If you submit an objection, you may appear at the Final Approval Hearing (discussed below). Your objection should clearly explain why you object to the settlement and must state whether you (or someone on your behalf) intend to appear at the Final Approval Hearing.

If you intend to file an objection, but you also wish to preserve your right to receive benefits under the settlement in the event your objection is overruled, you must file a Claim Form in the manner described above.

E. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, and Class Counsel's request for attorneys' fees and costs will be held on January 14, 2008 at 10:00 a.m., in Department 71 of the Los Angeles County Superior Court, Central District, located at 111 North Hill Street, Los Angeles, CA 90012. The Final Approval Hearing may be continued to a later date without further notice.

You have the right to appear at the Final Fairness Hearing, or to otherwise intervene in the Lawsuit, through an attorney of your own choosing, at your own expense.

If you do not request to be excluded from the Lawsuit, and you do not object to the proposed settlement in the manner provided above, you will be deemed to have approved the proposed settlement and to have waived any objections, and you will be forever foreclosed from objecting to the fairness or adequacy of the proposed settlement, the payment of attorneys' fees and costs, the claims process, the payments to the named plaintiffs, or any other aspect of the settlement. If the settlement is not approved, the Lawsuit will continue to be prepared for trial or other judicial resolution.

F. ADDITIONAL INFORMATION

This Notice only summarizes the Lawsuit, the settlement and related matters. For more information you may inspect the Court files at the Office of the Los Angeles County Superior Court, Central District, located at 111 North Hill Street, Los Angeles, CA 90012, from 9:00 am to 5:00 pm Monday through Friday. Any questions regarding this Notice, the Claim Form, or the Request For Exclusion form, should be directed to the Class Administrator at the address and telephone number set forth above. You may also contact Class Counsel at the address and telephone number set forth above. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Class Administrator.

G. REMINDER AS TO TIME LIMITS

If you wish to submit a Claim and participate in the proposed Settlement, (or if you wish to be excluded from the Lawsuit and the settlement) you must complete and mail the enclosed Claim Form (or the enclosed Request For Exclusion) to the Class Administrator so that it is postmarked on or before December 15, 2007. (You should *not* return both a Claim Form and a Request For Exclusion Form.)

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

INSTRUCTIONS FOR COMPLETING CLAIM FORM AND CHALLENGE FORM

PLEASE READ AND COMPLETE IN ORDER TO BE ELIGIBLE FOR MONETARY RECOVERY

INSTRUCTIONS:

Pursuant to the Order of the Superior Court of the State of California, Central District, dated October 15, 2007, you **must** do all of the following things for you to receive payments from the settlement:

1. **Fill in your current name, address and telephone number, if not accurate on the next page;**
2. **Review the number of shifts indicated that you worked during the Class Period between March 12, 2003 to June 30, 2007;**
3. **If the number of shifts is correct, sign the bottom of the Claim Form (page 2) and the Release (page 3);**
4. **Return this Claim Form by prepaid mail, postmarked no later than December 15, 2007, to the following address:**

**Arfat v. Farmdale Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045
(310) 337-0640**

5. **If you disagree with the number of shifts indicated, please continue to the Challenge Form (page 4), fill it out, sign it and submit to the Claims Administrator (address above in item 4) with documentation supporting the number of shifts you claim you worked.**

A Claim Form or Challenge Form will be deemed submitted when postmarked, if sent by postage prepaid U.S. First class mail. If the Claim Form or Challenge Form is delivered by any other means, such as personal delivery messenger, FedEx (or other private delivery service), the Claim Form or Challenge Form will be deemed submitted when actually received at the above address.

If you wish to have confirmation that your Claim Form or Challenge Form has been received, you must send it certified U.S. Mail with return receipt requested.

If your completed Claim Form or Challenge Form is lost in the mail or for any reason is not received at the above address when claims are to be paid, your Claim or Challenge will not be considered for payment unless you have a U.S. Mail return receipt showing that the Claim Form or Challenge Form was received at the above address and timely mailed.

CLAIM FORM

USING THE INSTRUCTIONS ON THE PREVIOUS PAGE,

COMPLETE IN ORDER TO BE ELIGIBLE FOR MONETARY RECOVERY

YOU MUST COMPLETE, SIGN AND MAIL THIS CLAIM FORM BY FIRST CLASS MAIL OR EQUIVALENT, POSTAGE PAID POSTMARKED ON OR BEFORE DECEMBER 15, 2007 ADDRESSED AS FOLLOWS, IN ORDER TO BE ELIGIBLE TO RECEIVE RECOVERY.

MAIL TO:

**Arfat v. Farmdale Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045
Telephone (310) 337-0640**

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

«First_Name» «Last_Name» _____
«Address1» _____
«City», «State» «Zip» _____

Defendants' Records show the following information regarding your services between March 12, 2003 and June 30, 2007:

Number of Shifts Worked: «ConsolidatedShifts»

PLEASE CHECK AND FILL OUT THE FOLLOWING:

_____ I agree with the number of shifts worked during the period of March 12, 2003 through June 30, 2007

Print Name: _____

Signature: _____

Date: _____

Telephone No.: _____

Social Security No.: _____

If you agree with the number of shifts, please make sure the information on this page is accurate, proceed to the Release (page 3), sign and date, and return this entire form to the address listed above.

If you do not agree with the number of shifts indicated, please continue to the Challenge form (page 4), fill out, sign and return with supporting documentation.

RELEASE
(This Must Be Submitted with the Claim Form)

My signature constitutes a full and complete release of the named parties in the settlement agreement for the matter referred to as *Melissa Arfat v. Farmdale Hospitality Services, Inc., et al.* This release extends to the named releasees, including their affiliates, parent, subsidiary and brother/sister companies, and their respective predecessor and successor entities, including but not limited to Farmdale Hospitality Services, Inc., by me for any and all claims for payments based on or arising out of a denial of meal and/or rest, including, without limitations penalties, wages, including overtime wages, and interest, record-keeping penalties, and waiting time penalties and other related claims or penalties under federal and state wage and hour law related to the club named in the lawsuit consistent with the terms of the settlement agreement, up to and including the date of the preliminary Court approval of the settlement.

Print Name: _____

Signature: _____

Date: _____

CHALLENGE FORM

I wish to challenge the data listed above. I have specified below the number of shifts I believe I worked during the period of March 13, 2003 through and including June 30, 2007. I have also included with my signed Claim Form a written statement and documentation supporting my challenge. I understand that by submitting this challenge, I hereby authorize the Claims Administrator to review Defendants' records and make a determination based on Defendants' records and the records I submitted. I understand that this determination may decrease or increase the amount of my settlement share. I understand that such determinations are final and binding with no opportunity for further appeal. I challenge the information provided above as follows:

PLEASE CHECK THE FOLLOWING:

_____ I do ***not*** agree with the number of shifts attributed to me having worked during the Class Period as listed on the Claim Form. My records, which I have attached, indicate that I worked _____ shifts from March 13, 2003 through June 30, 2007.

Print Name: _____

Signature: _____

Date: _____

Telephone No.: _____

Social Security No.: _____

NOTE: *Please submit this page and all documentation supporting the number of shifts you claim you worked to:*

**Arfat v. Farmdale Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045
Telephone: (310) 337-0640**

REQUEST FOR EXCLUSION

The undersigned (print name) _____ hereby elects to be excluded from the plaintiff class in *Melissa Arfat, etc. v. Farmdale Hospitality Services, Inc., et al.*, Los Angeles Superior Court Case No. BC 367741, and not receive any portion of the settlement, in accordance with the provisions of the Notice of Class Action Settlement, transmitted concurrently with this Request for Exclusion. This case is pending in Los Angeles Superior Court, Central District before the Honorable Soussan G. Bruguera.

DATED: _____, 2007

SIGNATURE

Street Address: _____

City, State, Zip Code: _____

Day Telephone: _____

Other Telephone: _____

THIS ELECTION TO BE EXCLUDED MUST BE POSTMARKED ON OR WITHIN FORTY-FIVE (45) DAYS OF THE DATE OF THE MAILING OF NOTICE

Please return this Request for Exclusion Form by prepaid mail to the following address:

**Arfat v. Farmdale Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045
(310) 337-0640**

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