

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

JAMAL J. KIFAFI, individually, and on	)	
behalf of all others similarly situated,	)	
Plaintiff,	)	
vs.	)	Case No. 98-1517 (CKK/AK)
	)	
HILTON HOTELS RETIREMENT PLAN,	)	
et al.,	)	
Defendants.	)	

**Important Notice About Retirement Benefits  
from the Hilton Hotels Retirement Plan**

**Your Hilton Hotels Retirement Benefits**

You are receiving this Notice as part of the *Kifafi v. Hilton Hotels Retirement Plan* litigation in the United States District Court for the District of Columbia. This litigation involves claims for additional retirement benefits from the Hilton Hotels Retirement Plan. You have been identified as a current or former Hilton employee who is entitled to an additional retirement benefit under the Hilton Hotels Retirement Plan as a result of this litigation.<sup>1</sup> You currently have a vested right to a retirement benefit of:

\$\_\_ per month, payable starting at age 65, or on a reduced basis as early as age 55.

As a result of this litigation, this benefit amount will be increased by \$\_\_ per month. Thus, your total retirement benefit from the Hilton Hotels Retirement Plan will be:

\$\_\_ per month, payable starting at age 65, or on a reduced basis as early as age 55.<sup>2</sup>

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<sup>1</sup> The class does not include employees who were not employed after 1976 or employees whose retirement benefits are not vested.

<sup>2</sup> The specified amounts are subject to correction for data errors. If the benefit increase for you is \$0.00, you are being provided this Notice to ensure that you know the amount of the benefit to which you are currently entitled. If you received a lump sum distribution after your employment with Hilton ended, the monthly benefit to which you are currently entitled is the amount from which the lump sum distribution was calculated. If you are already receiving an annuity, the current amount may not account for early retirement or your choice of an option that provides a survivor's benefit for your spouse. If you are over age 65, the option of an early retirement benefit may no longer exist.

Jane A. Doe



The United States District Court for the District of Columbia has ordered that Hilton Hotels pay these benefits to you, net of any attorney's fee award and taxes. The Court has not yet ruled on whether or not some benefit increases attributable to an amendment to the Plan that was adopted in response to this litigation are in the common fund recovery described below for purposes of calculating the attorney's fee award.

### **About This Lawsuit**

In 1998, Jamal Kifafi, who worked at the Capitol Hilton in Washington D.C., filed a lawsuit against the Hilton Hotels Retirement Plan on behalf of all Plan participants and beneficiaries. He alleged that Hilton's Plan had not complied with certain standards under the Employee Retirement Income Security Act (ERISA). On May 15, 2009, the United States District Court for the District of Columbia ruled that Hilton Hotels did not comply with the benefit accrual rules or the vesting rules under ERISA for determining retirement benefits. The Court ruled that Hilton Hotels had been "backloading" benefit accruals so the benefits earned in the initial years of service with Hilton were too low. The Court also ruled that Hilton had not properly counted certain periods of employment with Hilton in determining whether employees had enough years of service for a vested right to a pension benefit as required by ERISA.

On August 31, 2011, the Court ruled that Hilton Hotels must pay increased benefits to close to 23,000 vested class members and identified over 700 additional individuals who must be vested. Certain other employees were sent notices about claiming additional vesting service. On December 14, 2012, the United States Court of Appeals for the District of Columbia Circuit affirmed the District Court's decisions on Hilton's violations of the "backloading" and vesting rules and the remedies for those violations.

### **Request for Attorneys' Fees, Expenses and Incentive Award**

The total value of the benefit increases from which attorneys' fees are requested is estimated to range from \$139.1 million to \$154.4 million. The attorneys for the Plaintiff class have asked the Court for an award of attorneys' fees based on 15% of the *increased* benefits (or \$20.865 million to \$23.16 million). The attorneys for the Plaintiff class are also seeking reimbursement from the total recovery for expenses incurred in prosecuting this lawsuit in the amount of \$603,000. An award of attorneys' fees and costs will compensate the Plaintiff's attorneys for their time and expenses invested over the past 15 years on behalf of the Plaintiff and close to 23,000 other members of the class.

If the Court grants Plaintiff's attorneys' request, the amount of the *increased* retirement benefit payable to you as a result of this litigation (not the total benefit) will be reduced by 15%, plus 0.4% for the expenses. Plaintiff's attorneys are also seeking an incentive award of

\$50,000, payable by Hilton or from the common fund, for Mr. Kifafi, the class representative, for the burdens he shouldered during the course of this litigation and services he provided on behalf of other employees.

### **Your Right to Object or Comment**

If you wish to object or otherwise comment on the request by the attorneys for the Plaintiff class for attorneys' fees, expenses, or an incentive award from the common fund, please send your objections to: Clerk of the Court c/o The Garden City Group, P.O. Box 66260, Washington DC 20035. The letter must be post-marked no later than Thursday, September 12, 2013. The Court will consider any objections or other comments before making its final decision.

### **Further Notice on How to Commence Retirement Benefits**

Whether or not you object or comment, if you receive a benefit increase as a part of this litigation or have not commenced the benefits you are currently entitled to, you will receive further notice about how to commence your benefit from the Hilton Hotels Retirement Plan after the Court rules on fees and expenses. To commence payment of your benefits, you may contact the Hilton Pension Center at 1-866-262-9313 or write the Hilton Worldwide Pension Center, RFM Department 01250, P.O. Box 9619, The Woodlands, TX 77387.

### **Address Verification and Update**

Attached to this Notice is an Address Verification Form to confirm your current address or update your address information. Please return the Address Verification Form in the enclosed prepaid envelope to ensure the accuracy of the records for the future notice about your retirement benefits. If you are the surviving spouse or beneficiary of a deceased former Hilton employee who has been sent this Notice, please fill in your name, address and relationship in the Address Verification Form.

### **Additional Information**

If you have any questions or concerns, please call 1-888-985-9882 or write the lead counsel for the Plaintiff class, Stephen R. Bruce, 1667 K Street, NW, Suite 410, Washington DC 20006. A website at <http://www.myhiltonpension.com> includes this Notice and answers to frequently-asked questions.

**This Notice is authorized by the United States District Court for the District of Columbia, Hon. Colleen Kollar-Kotelly, United States District Judge.**