

**NOTICE OF CLASS ACTION AND PAGA SETTLEMENT**  
**CECILIA CHOLICO V. RILEY FAMILY ENTERPRISES, INC.**

**SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN BERNARDINO**  
**CASE NO. CIVSB2130458**

**PLEASE READ THIS NOTICE**

**ATTN:** <<EmployeeName>>

A class and representative action under the Private Attorneys General Act, California Labor Code sections 2699-2699.5 (“PAGA”) against Defendant Riley Family Enterprises, Inc. (“Defendant”) has been preliminarily approved for settlement. In the lawsuit, Plaintiff, Cecilia Cholico (“Plaintiff”) alleged that Defendant failed to properly compensate Class Members for all hours worked, failed to provide Class Members with compliant meal, rest periods and/or recovery periods or compensation in lieu thereof, failed to pay overtime wages, failed to pay minimum wages, failed to timely pay all wages, failed to pay all wages due to quitting and discharged employees at the time of separation, failed to maintain accurate payroll records, failed to provide accurate wage statements, failed to maintain required records; failed to properly calculate and pay sick leave; engaged in unfair business practices; and requests penalties predicated on the Labor Code violations pursuant to Labor Code sections 2699-2699.5 (“PAGA”). Defendant denies Plaintiff’s allegations and contends that it complied with applicable law.

**Class Member(s) are defined as:** All non-exempt employees who were employed by Defendant in the State of California, at any time from October 22, 2017, through February 3, 2023 (“Class Period” and collectively, the Class Members are referred to as the “Class”).

The PAGA period is August 18, 2020 to February 3, 2023.

You have been identified by Defendant’s records as a Class Member in the above-entitled action, and as such, you are subject to the terms of the Class Action and PAGA Settlement Agreement And Release (“Settlement”), preliminarily approved by the Court. Please read this notice carefully. It may affect your legal rights. Defendant will not retaliate against you for any actions you take with respect to the settlement.

**YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT**

<b>Participate in the Settlement</b>	If you want to remain in the Class, be bound by the Settlement and <b>receive your Individual Settlement Payment, and if eligible, PAGA Payment</b> , then you need not do anything.
<b>Exclude Yourself From the Settlement</b>	If you do not want to be bound by the Settlement, you must follow the instructions in Section 6 to exclude yourself. If you exclude yourself, <b>you will not receive your Individual Settlement Payment, and you will not release the Settled Claims against Released Parties defined in Section 4 below.</b> If this Settlement is approved by the Court, and you are a PAGA Member, you will receive your PAGA payment and the Settled PAGA Claims will be released even if you exclude yourself from the Settlement.
<b>Object to the Settlement</b>	If you want to object to the Settlement, you must follow the instructions in Section 7. If you object, you will still be bound by the terms of the Settlement, if approved by the Court.

**1. WHY DID I GET THIS NOTICE?**

You have received this Notice because Defendant’s records reflect that you are a Class Member as defined above. This Notice provides you with information about (1) the terms of the Settlement, including the claims that are being released, (2) the total monetary amount of the Settlement, (3) your estimated Individual Settlement Payment provided you remain a Settlement Class Member, and (4) where to find additional information regarding the case and the Settlement.

**NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT:** If you do nothing, then you will be automatically included in the Settlement and do not need to take any further action to receive a payment.

**2. WHAT IS THIS CASE ABOUT?**

Plaintiff filed suit on October 21, 2021, in the Superior Court of California, County of San Bernardino, commencing the lawsuit entitled *Cecilia Cholico v. Riley Family Enterprises, Inc.*, Superior Court of the State of California for the County of San Bernardino, Case No.

CIVSB2130458. Plaintiff alleged on behalf of herself and the Class the following claims against Defendant: (a) failure to provide required meal periods, California Labor Code §§ 226.7, 510 and 512; (b) failure to provide required rest and recovery periods, California Labor Code §§ 226.7 and 512; (c) failure to pay overtime wages, California Labor Code §§ 510, 1194 and 1198; (d) failure to pay minimum wages, California Labor Code §§ 1194 and 1197; (e) failure to timely pay wages §§ 204 and 210; (f) failure to timely pay all wages during employment and to discharged and quitting employees, California Labor Code §§ 201-204, 210; (g) failure to furnish accurate, itemized wage statements, California Labor Code §§ 226 and 226.3; (h) failure to maintain required records; (i) failure to provide and calculate sick leave, California Labor Code § 246; (j) failure to indemnify employees for necessary expenses, California Labor Code § 2802; (k) unlawful business practices under California, Business and Professions Code § 17200, et seq; and (l) and violation of PAGA, predicated on the violations of the California Labor Code and applicable IWC Wage Order as alleged in the Operative Complaint.

The resolution of the PAGA claim (“PAGA Settlement”) includes any Class Members who are employed or have been employed by Defendant in the State of California during the time period from August 18, 2020, through February 3, 2023 (“PAGA Members”).

Defendant denies any liability or wrongdoing of any kind. Defendant contends, among other things, that it complied at all times with the California Labor Code and the Business and Professions Code, and that employees were correctly and timely paid all wages, and that meal periods and rest breaks are provided as required by applicable law.

The Court has not ruled on the merits of Plaintiff’s claims. By preliminarily approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case on the merits. Rather, the Court has determined only that there is sufficient evidence to determine on a preliminary basis that the proposed Settlement is fair, adequate, and reasonable and any final determination of those issues will be made at the final approval hearing.

### **3. THE SETTLEMENT TERMS AND CALCULATION OF INDIVIDUAL SETTLEMENT PAYMENTS AND PAGA PAYMENTS.**

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating these claims, Defendant has agreed to pay a Gross Settlement Amount of Two Hundred and Seventy-Five Thousand Dollars (\$275,000.00) to settle the Action if approved by the Court.

The following amounts will be paid from the Maximum Settlement Amount:

- Service Payment to Plaintiff for his service as Class Representative in the amount of up to Six Thousand Dollars and Zero Cents (\$6,000.00);
- Attorneys’ Fees not to exceed Ninety-One Thousand and Five Hundred Seventy-Five (\$91,575) (i.e., 1/3 of the Gross Settlement Amount) to Class Counsel and up to Twenty Thousand Dollars and Zero Cents (\$20,000) for reimbursement of litigation costs and expenses (“Attorneys’ Costs”);
- The amount of Forty Thousand Dollars and Zero Cents (\$40,000) allocated to the payment of civil penalties under PAGA (the “PAGA Allocation”);
- The costs associated with administration of the Settlement, estimated to be Fifteen Thousand Dollars and Zero Cents (\$15,000) (“Settlement Administration Costs”).

**Individual Settlement Payment:** The amount remaining from the Gross Settlement Amount after the above deductions is called the “Net Settlement Amount”. The Net Settlement Amount will be allocated to all Class Members who do not request to be excluded from the Settlement (“Settlement Class Members”) on a *pro rata* basis, based on their number of Compensable Pay Periods. Each payment is called an “Individual Settlement Payment” and will be calculated as follows:

1. The Settlement Administrator will determine the number of bi-weekly pay periods worked by Class Members in California as a non-exempt employee during the Class Period (“Compensable Pay Periods”);
2. The Settlement Administrator will determine the value of a single Compensable Pay Period by dividing the Net Settlement Amount by the total number of Compensable Pay Periods for each Settlement Class Member resulting in a payment ratio; and
3. Each Settlement Class Member shall receive a gross Individual Settlement Payment equal to his or her Compensable Pay Period payment ratio multiplied by the Net Settlement Amount.

**Your Compensable Pay Periods are <<TotalPayperiods>> payperiods. Based on your Compensable Pay Periods, your individual settlement payment as a Settlement Class Member is estimated to be <<estAmount>>.**

**PAGA Payment:** A total of Forty Thousand Dollars and Zero Cents (\$40,000) of the Gross Settlement Amount has been allocated to PAGA Settlement. Of this amount, 75% or Thirty Thousand Dollars (i.e., \$30,000) will be paid to California’s Labor & Workforce Development Agency, and 25% or Ten Thousand Dollars (i.e., \$10,000) (the “Net PAGA Distribution Amount”) will be paid on a *pro-rata* basis to PAGA Members.

1. The Settlement Administrator will determine the number of bi-weekly pay periods worked by PAGA Members as non-exempt employees in California during the period from August 18, 2020, through February 3, 2023 (“Compensable PAGA Work Weeks”);
2. The Settlement Administrator will determine the value of a single Compensable PAGA Pay Period by dividing the Net PAGA Distribution Fund by the total number Compensable PAGA Pay Periods by all PAGA Members.
3. Each PAGA Member shall receive a PAGA Payment equal to his or her Compensable PAGA Pay Periods multiplied by the value of a single Compensable PAGA Pay Period.

**Your Compensable PAGA Pay Periods are <<PAGA\_Payperiods>> payperiods. Based on these PAGA Compensable Pay Periods, your PAGA Payment is estimated to be <<PAGA\_Amount>>.**

If you dispute the above information, you may submit a written dispute to the number of Compensable Pay Periods and/or Compensable PAGA Pay Periods allocated to you (“Dispute”) to the Settlement Administrator. Your Dispute must: (1) contain your name, address, and telephone number and the case name and number of this action, *Cecilia Cholino v. Riley Family Enterprises, Inc.*, Superior Court of the State of California for the County of San Bernardino, Case No. CIVSB2130458; (2) be signed by you; (3) be postmarked, emailed or fax stamped on or before August 12, 2023, and returned to the Settlement Administrator at the address, email or fax number listed below; (4) clearly state the number of Compensable Pay Periods and/or Compensable PAGA Pay Periods you believe are correct; and (5) attach any documentary evidence you have to prove the number of contented Compensable Pay Periods and/or Compensable PAGA Pay Periods.

*Cecilia Cholino v. Riley Family Enterprises, Inc.*

c/o CPT Group, Inc.  
50 Corporate Park,  
Irvine, California, 92606  
Phone: 1-888-520-1853  
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Email: [rileyfamilyenterprisessettlement@cptgroup.com](mailto:rileyfamilyenterprisessettlement@cptgroup.com)

Website: [www.cptgroupcaseinfo.com/rileyfamilyenterprisessettlement](http://www.cptgroupcaseinfo.com/rileyfamilyenterprisessettlement)

Thirty-three and one-third (33.33%) of each Individual Settlement Payment will be allocated to wages and subject to all applicable employee state and federal tax withholdings; thirty-three percent and one-third (33.33%) of each Individual Settlement Payment will be considered penalties and any other non-wage related amount; and thirty-three and one-third (33.33%) of each Individual Settlement Payment will be considered interest. The amount allocated as wages will be reported on an IRS form W-2, and the remaining amount allocated as penalties, liquidated damages, interest and other non-wage payments will be reported on an IRS form 1099. One hundred percent (100%) of each PAGA Payment will be allocated as penalties and be reported on an IRS form 1099.

In addition to the Gross Settlement Amount, Defendant will pay all employer-payroll taxes and contributions in connection with the portion of the Settlement allocated towards wages at the time the Gross Settlement Amount is funded.

Class Members are responsible for paying taxes on any amounts received. This Notice is not tax advice and you should consult your tax advisor. Checks will be valid and negotiable for one-hundred and eighty (180) days; after that checks will become void and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within one-hundred and eighty (180) calendar days of mailing, or are returned to the Settlement Administrator, will be cancelled and the Settlement Administrator shall send the funds associated with uncashed checks to the State of California Controller’s Office, Unclaimed Property Division, in the name of the affected Class Member. **Class Members will be bound by the Settlement even if they do not cash their settlement checks.**

#### 4. WHAT AM I RELEASING AS A CLASS MEMBER UNDER THE SETTLEMENT?

**If you do nothing, you will receive your Individual Settlement Payment.**

If and when the Court grants final approval of the Settlement, as of the Effective Date, all Class Members who do not opt out of the Settlement (“Settlement Class Members”) hereby do and shall fully and finally release and discharge Released Parties, from December 20, 2017, through February 3, 2023, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action contingent or accrued for, that are pleaded, or that could have been pleaded, based on the

facts and claims alleged in the Operative Complaint, including any claims for: (a) failure to provide required meal periods, California Labor Code §§ 226.7, 510 and 512; (b) failure to provide required rest periods, California Labor Code §§ 226.7 and 512; (c) failure to pay overtime wages, California Labor Code §§ 510, 1194 and 1198; (d) failure to pay minimum wages, California Labor Code §§ 1194 and 1197; (e) failure to timely pay wages §§ 204 and 210; (f) failure to timely pay all wages during employment and to discharged and quitting employees, California Labor Code §§ 201-204, 210; (g) failure to furnish accurate, itemized wage statements, California Labor Code §§ 226 and 226.3; (h) failure to maintain required records; (i) failure to provide and calculate sick leave; (j) failure to indemnify employees for necessary expenses, California Labor Code § 2802; (k) unlawful business practices under California, Business and Professions Code §17200, et seq; and (l) and violation of PAGA predicated on any of the violations of the California Labor Code and the applicable IWC Wage Order as alleged in the Operative Complaint including but not limited to, claims for restitution and other equitable relief, liquidated damages, or penalties; and any other benefit, wages, penalties, or other amounts claimed on account of the allegations or the primary rights asserted in the Operative Complaint. This release shall apply to any and all claims arising at any point during the Class Period. Upon entry of the Final Approval Order and funding of the total Gross Settlement Amount, all Participating Class Members will forever completely release and discharge the Released Parties from the Released Claims for the Release Period. Plaintiff and Defendants intend that the Settlement described in this Settlement Agreement will release and preclude any further claim, whether by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and all of the Participating Class Members to obtain a recovery to any and all of the Released Claims. This release excludes the release of claims not otherwise permitted by law, i.e. Worker's Compensation and unemployment insurance benefits. This release shall apply to any and all claims arising at any point during the Class Period. Upon entry of the Final Approval Order and funding of the total Gross Settlement Amount, all Class Members will forever completely release and discharge the Released Parties from the Released Claims for the Release Period.

“Released Parties” collectively mean: (i) Defendant; (ii) Defendant’s respective past, present and future heirs, executors, administrators, parents, subsidiaries and affiliates, successors and assigns; and (iii) the past, present and future shareholders, managers, officers, partners, members, agents, employees, attorneys, insurers, predecessors, successors and assigns of any of the foregoing.

#### **5. WHAT AM I RELEASING AS A PAGA MEMBER UNDER THE SETTLEMENT?**

As of the Effective Date, all PAGA Members, hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all Settled PAGA Claims.

“Settled PAGA Claims” means penalties under PAGA only, and not for underlying wage and hour claims which the claims for penalties are based upon, as alleged in the Operative Complaint and the PAGA Notice filed by Plaintiff, and as described in section 4, above. Released Parties is defined in section 4 of this Notice above.

#### **PAGA MEMBERS CANNOT OPT-OUT OR EXCLUDE THEMSELVES FROM THE PAGA SETTLEMENT OR RELEASE OF SETTLED PAGA CLAIMS AND WILL RECEIVE A PAGA PAYMENT EVEN IF THEY OPT-OUT OF THE CLASS SETTLEMENT.**

#### **6. WHAT IF I DON'T WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?**

You have the right to request exclusion from the Settlement as a Class Member and with regards to the settlement of Settled Claims, but you are not able to exclude yourself as a PAGA Member. To exclude yourself as a Settlement Class Member, you must submit a written Request for Exclusion to the Settlement Administrator (“Opt-Out Request”) at the address, email or fax number listed in section 3 of this Notice above.

A valid and complete Opt-Out Request must (1) contain the name, address, and telephone number of the Class Member requesting exclusion and the case name and number of the *Cecilia Cholico* Action (i.e., *Cecilia Cholico v. Family Enterprises, Inc.* Superior Court of the State of California for the County of San Bernardino, Case No. CIVSB2130458); (2) be signed by the Class Member; (3) be postmarked, emailed or fax stamped on or before August 12, 2023, and returned to the Settlement Administrator at the specified address, email address or fax number listed in section 3 of this Notice above; and (4) contain a statement something substantially similar to:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT OF CLASS CLAIMS IN THE CECILIA CHOLICO V. FAMILY ENTERPRISES, INC. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT FROM THE SETTLEMENT OF THE LAWSUIT. I UNDERSTAND THAT THE PAGA CLAIM WILL STILL BE RELEASED AND SETTLED.”

It is your responsibility to ensure that the Settlement Administrator timely receives your request to be excluded from the Settlement. Unless you timely request to be excluded from the Settlement, you will be bound by the judgment upon final approval of the Settlement. **Class Members who request to be excluded from the Settlement will NOT receive their Individual Settlement Payment and will not release any of the Settled Claims. However, Class Members who are also PAGA Members will receive their PAGA Payment and release the Settled PAGA Claims regardless of whether they submit an Opt-Out Request.**

## 7. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member may object to the Settlement or to any settlement term. If the Court denies approval, no payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

If you wish to object, you must submit the written objection to the Settlement Administrator (“Objection”) to the following address or fax number listed in section 3 of this Notice above. A valid and timely Objection must (1) contain the name, address, and telephone number of the Settlement Class Member objecting and the case name and number of the *Cholico* Action (i.e., *Cecilia Cholico v. Riley Enterprises, Inc.* Superior Court of the State of California for the County of San Bernardino, Case No. CIVSB2130458; (2) be signed by the Settlement Class Member; (3) give the legal and factual basis for their objection; and (4) be postmarked, emailed or fax stamped on or before August 12, 2023, and returned to the Settlement Administrator at the specified address, email address or fax number in section 3 of the Notice above. Any written objection will not be presumptively invalidated if the objections do not comply with requirements (1), (2) and (3) as long as the written objection is timely received pursuant to requirement (4).

The submission of an objection will **not** exclude you from the Settlement. If the Court grants final approval of the Settlement, you will still receive an Individual Settlement Payment and will be barred from pursuing the Settled Claims. **Do not file both an Objection and Opt-Out Request.** If you file both an Objection and an Opt-Out Request, you will be excluded from the Settlement and the Objection will not be considered.

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

The Final Approval Hearing is scheduled to take place on September 5, 2023, at 9:00 a.m. in Department S-26 of the Superior Court of the State of California, San Bernardino Superior Court – Civil Justice Center, located at 247 West 3<sup>rd</sup> Street, San Bernardino, California 92415. The final approval hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

## 9. WHO ARE THE ATTORNEYS?

### Attorneys for Plaintiff and the Class are:

LAW OFFICE OF SCOTT ERNEST WHEELER  
Scott Ernest Wheeler  
Justin A. Wheeler  
250 West First Street, Suite 216  
Claremont, California 91711  
Telephone: (909) 621-4988  
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### Attorneys for Defendant are:

STREAM KIM HICKS WRAGE & ALFARO, PC  
Jamie E. Wrage  
Amy J. Osborne  
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Riverside, California 92501  
Telephone: (951) 783-9470  
Facsimile: (951) 783-9475

The Court has decided that the Attorney for Plaintiff and the Class are qualified to represent the Settlement Class Members. Other than the Attorneys’ Fees and Attorneys’ Costs approved by the Court, which will be paid out of the Gross Settlement Amount, you will not be charged for their services.

## 10. SHOULD I GET MY OWN LAWYER?

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will have to pay for that lawyer yourself.

## 11. FURTHER INFORMATION.

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at the Superior Court of the State of California, San Bernardino Superior Court – Civil Justice Center, located at 247 West 3<sup>rd</sup> Street, San Bernardino, California 92415 or at the Court’s website at: <https://www.SB-court.org>. Documents regarding this Settlement may also be found on the Internet at: <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales> or the Settlement Administrator’s website at: [www.cptgroupcaseinfo.com/rileyfamilyenterprisessettlement](http://www.cptgroupcaseinfo.com/rileyfamilyenterprisessettlement).

## 12. SAN BERNARDINO COUNTY SUPERIOR COURT SOCIAL DISTANCING PROCEDURES

Please go to [www.sb-Court.org](http://www.sb-Court.org) for all updates regarding the Court’s current social distancing procedures for attendance at hearings and review of court files.

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.**