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21 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
22 **COUNTY OF SAN BERNARDINO**
23 **SAN BERNARDINO JUSTICE CENTER**

24 CECILIA CHOLICO, individually, and on
25 behalf of all other aggrieved employees,

26 **PLAINTIFFS,**

27 v.

28 RILEY FAMILY ENTERPRISES, INC., a
California corporation; and DOES 1
through 50, inclusive,

DEFENDANT.

Case No.: CIVSB2130458

[Hon. David Cohn, Dept. S-26]

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE**

Action Filed: October 22, 2021
Trial Date: None Set

1 This Class Action and PAGA Settlement and Release (“Settlement Agreement”) is entered
2 into by and between Plaintiff Cecilia Cholico (“Plaintiff”), on behalf of herself and the Class, on the
3 one hand, and Defendant Riley Family Enterprises, Inc., and the Released Parties (“Defendant”), on
4 the other hand. Plaintiff and Defendant are collectively referred to herein as “Parties” and individually
5 referred to herein as “Party.”

6 In consideration of the mutual covenants, promises, and agreements set forth herein, the Parties
7 agree that, pursuant to the terms and conditions set forth herein, which are subject to approval of the
8 Court, this Action and the Released Claims shall be settled and compromised as between Plaintiff and
9 the Class on the one hand and Defendant on the other hand.

10 **DEFINITIONS**

11 1. “Action” means *Cholico v. Riley Family Enterprises, Inc.*, Superior Court of the State
12 of California for the County of San Bernardino, Case No.: CIVSB2130458.

13 2. “Class” means: All non-exempt employees who were employed by Defendant, in the
14 State of California, at any time from October 22, 2017 through February 3, 2023.

15 3. “Class Counsel” means the Law Office of Scott Ernest Wheeler.

16 4. “Class Counsel Award” means attorneys’ fees for Class Counsel’s litigation and
17 resolution of this Action and Class Counsel’s expenses and costs incurred in connection with this
18 Action.

19 5. “Class Information” means information regarding Class Members that Defendant will
20 in good faith compile from its records and provide to the Settlement Administrator. It shall be
21 formatted as a Microsoft Excel spreadsheet or Microsoft Word Document and shall include: each
22 Class Member’s full name; social security number; last known address; last known telephone number;
23 and number of Compensable Pay Periods and Compensable PAGA Pay Periods.

24 6. “Class Member” means each person who is a member of the Class defined above and
25 who is eligible to participate in this Settlement.

26 7. “Class Period” means the time period from October 22, 2017 through February 3, 2023.
27
28

1 8. “Class Representative Service Award” means the amount that the Court authorizes to
2 be paid to Plaintiff in recognition of, *inter alia*, Plaintiff’s efforts and risks in assisting with the
3 prosecution of the Action and in return for executing a general release with Defendant.

4 9. “Compensable Pay Period(s)” means a reasonable estimate of bi-weekly pay periods
5 worked by each Class Member as a non-exempt employee in California for Defendant individually
6 and collectively by all Class Members during the Class Period based on Defendant’s records and
7 used as a value to calculate Individual Settlement Payments. The number of Compensable Pay
8 Periods for each Class Member will be determined by adding all the bi-weekly pay periods within
9 the inclusive dates of employment for the employee. If it can be readily determined, this number
10 will be reduced for a Class Member for pay period(s) during which the Class Member was
11 employed but reported no work hours.

12 10. “Compensable PAGA Pay Period(s)” means a reasonable estimate of bi-weekly pay
13 periods worked by each PAGA Member as a nonexempt employee in California for Defendant,
14 individually and collectively by all PAGA Members, during the period from August 18, 2020
15 through February 2, 2023, based on Defendant’s records and used as a value to calculate PAGA
16 Payments. The number of Compensable PAGA Pay Periods for each PAGA Member, will be
17 determined by adding all the bi-weekly pay periods. If it can be readily determined, this number
18 will be reduced for a Class Member for pay period(s) during which the Class Member was
19 employed but reported no work hours.

20 11. “Court” means the Superior Court for the County of San Bernardino, State of
21 California.

22 12. “Defendant” means Riley Family Enterprises, Inc.

23 13. “Effective Date” means the date on which the Superior Court’s Final Approval Order
24 and Judgment becomes final. The Superior Court’s Final Approval Order and Judgment “becomes
25 final” upon the latter of: (a) if there is no Objection to the Settlement, or if there is an Objection but it
26 is withdrawn, then, the date that the Final Approval Order and Judgment is filed by the Court; (b) if
27 there is an Objection to the Settlement that is not withdrawn, but no appeal is commenced thereafter,
28 then, sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is

1 filed by the Court; or (c) if there is an Objection to the Settlement, that is not withdrawn, and any
2 appeal, writ, or other appellate proceeding opposing the Settlement has been filed within sixty-five
3 (65) calendar days following the date that the Final Approval Order and Judgment is filed by the
4 Court, then, when any such appeal, writ, or other appellate proceeding opposing the validity of the
5 Settlement has been resolved finally and conclusively with no right to pursue further remedies or
6 relief.

7 14. "Final Approval Order and Judgment" means an order and judgment that the Court
8 will file which finally approves this Settlement and enters a judgment in favor of Plaintiff.

9 15. "Gross Settlement Amount" means the maximum amount which Defendant is
10 obligated to pay under this Settlement Agreement, which is Two Hundred and Seventy-Five Thousand
11 Dollars (\$275,000.00), subject to increase under the circumstances as set forth in paragraph 58. This
12 is an "all in" non-reversionary Settlement in which Defendant is required to pay the entire Gross
13 Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendant under any
14 circumstances. Payments of any appropriate and lawfully-required employer's share of the payroll
15 taxes on the taxable portion of the settlement payments shall be paid separately from the Gross
16 Settlement Amount by Defendant at the time the Gross Settlement Amount is funded.

17 16. "Individual Settlement Payment" means the amount payable from the Net Settlement
18 Amount to each Settlement Class Member.

19 17. "LWDA" means the California Labor and Workforce Development Agency.

20 18. "Net Settlement Amount" means the Gross Settlement Amount, less the Class Counsel
21 Award, Class Representative Service Award, payment to the LWDA and PAGA Members for PAGA
22 penalties, and Settlement Administration Costs.

23 19. "Notice of Class and PAGA Settlement" means the notice, substantially in the form
24 attached hereto as **Exhibit 1**, which the Settlement Administrator will mail to each Class and PAGA
25 Member, and which explains, *inter alia*, the terms of this Settlement Agreement, the settlement
26 process, and each Class Member's estimated Individual Settlement Payment. Notice of Class
27 Settlement will be provided to the Class in English and Spanish.

28 20. "Operative Complaint" means the First Amended Class Action Complaint on file in

1 this action.

2 21. "Objection" means a letter or other written communication submitted by a Class
3 Member to the Settlement Administrator that contains a clear statement by the Class Member that he
4 or she is objecting to any of the terms of the Settlement.

5 22. "PAGA Member" or "PAGA Members" means any Class Member who was
6 employed or has been employed by Defendant at any time during the time period of August 18,
7 2020 through February 3, 2023.

8 23. "Parties" means Plaintiff and Defendant, collectively, and "Party" means either
9 Plaintiff or Defendant, individually.

10 24. "Payment Ratio" means the respective Compensable Pay Periods for each Settlement
11 Class Member divided by the total Compensable Pay Periods for all Settlement Class Members. Pay
12 Periods are bi-weekly.

13 25. "PAGA Payment Ratio" means the respective Compensable PAGA Pay Periods for
14 each PAGA Member divided by the total Compensable PAGA Pay Periods for all PAGA Members.

15 26. "PAGA Period" means the time period from August 18, 2020 through February 3,
16 2023.

17 27. "Plaintiff" refers to Cecelia Cholico.

18 28. "Preliminary Approval Date" means the date upon which the Court files an order
19 substantially in the form attached hereto as **Exhibit 2**, and which grants preliminary approval of the
20 Settlement.

21 29. "Request for Exclusion" means a letter or other written communication submitted by
22 a Class Member to the Settlement Administrator that contains a clear statement by the Class Member
23 that he or she is electing to be excluded from the Settlement.

24 30. "Released Claims by Plaintiff" is set forth in paragraph 47 below. Plaintiff releases
25 the "Released Claims by Plaintiff" as of the date Defendant fully funds this Settlement.

26 31. "Released Claims by Settlement Class Members" means: As of the Effective Date ,
27 Settlement Class Members shall fully and finally release and discharge Released Parties, from October
28 22, 2017 through February 3, 2023, from any and all claims, debts, liabilities, demands, obligations,

1 guarantees, costs, expenses, attorneys' fees, damages, or causes of action contingent or accrued for,
2 that are pleaded, or that could have been pleaded, based on the facts and claims alleged in the
3 Operative Complaint, including any claims for: (a) failure to provide required meal periods, California
4 Labor Code §§ 226.7, 510 and 512; (b) failure to provide required rest periods, California Labor Code
5 §§ 226.7 and 512; (c) failure to pay overtime wages, California Labor Code §§ 510, 1194 and 1198;
6 (d) failure to pay minimum wages, California Labor Code §§ 1194 and 1197; (e) failure to timely pay
7 wages §§ 204 and 210; (f) failure to timely pay all wages during employment and to discharged and
8 quitting employees, California Labor Code §§ 201-204, 210; (f) failure to furnish accurate, itemized
9 wage statements, California Labor Code §§ 226 and 226.3; (g) failure to maintain required records;
10 (h) failure to provide and calculate sick leave; and (i) unlawful business practices under California,
11 Business and Professions Code §17200, et seq.; predicated on any of the violations of the California
12 Labor Code and the applicable IWC Wage Order as alleged in the Operative Complaint including but
13 not limited to, claims for restitution and other equitable relief, liquidated damages, or penalties; and
14 any other benefit, wages, penalties, or other amounts claimed on account of the allegations or the
15 primary rights asserted in the Operative Complaint. This release shall apply to any and all claims
16 arising at any point during the Class Period. Upon entry of the Final Approval Order and funding of
17 the total Gross Settlement Amount, all Participating Class Members will forever completely release
18 and discharge the Released Parties from the Released Claims for the Release Period. Plaintiff and
19 Defendants intend that the Settlement described in this Settlement Agreement will release and
20 preclude any further claim, whether by lawsuit, administrative claim or action, arbitration, demand,
21 or other action of any kind, by each and all of the Participating Class Members to obtain a
22 recovery to any and all of the Released Claims. This release excludes the release of claims not
23 otherwise permitted by law, i.e. Worker's Compensation and unemployment insurance benefits.

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

28

1 33. “Response Deadline” means forty-five (45) days after the postmark date of the Notice
2 of Class Settlement that the Settlement Administrator shall mail to Class Members, and the last date
3 on which Class Members may: (a) submit a Request for Exclusion; (b) submit an Objection to the
4 Settlement; (c) or dispute the pay periods attributable to them.

5 34. “Settled PAGA Claims”, as of the Effective Date, means penalties only under the
6 Private Attorneys General Act (“PAGA”), through the time period of August 18, 2020 through
7 February 3, 2023, based upon the Released Claims by PAGA Members that serves the basis for
8 penalties only pursuant to Labor Code § 2699 *et seq.*, for : (a) failure to provide required meal
9 periods, California Labor Code §§ 226.7, 510 and 512; (b) failure to provide required rest periods,
10 California Labor Code §§ 226.7 and 512; (c) failure to pay overtime wages, California Labor Code
11 §§510, 1194 and 1198; (d) failure to pay minimum wages, California Labor Code §§ 1194 and
12 1197; (e) failure to timely pay all wages due during employment and to discharged and quitting
13 employees, California Labor Code §§ 201-204, 210; (f) failure to furnish accurate, itemized wage
14 statements, California Labor Code §§ 226 and 226.3; (g) failure to maintain required records,
15 California Labor Code §§ 226, 1174; (h) failure to provide and calculate sick leave, California Labor
16 Code § 246 ; (i) failure to indemnify employees for necessary expenses, California Labor Code §
17 2802; (j) unlawful business practices under California, Business and Professions Code §17200, *et*
18 *seq.*; and (k) and violation of PAGA, predicated on the violations of the California Labor Code and
19 applicable IWC Wage Order as alleged in Plaintiff’s Operative Complaint and in Plaintiff’s PAGA
20 Notice dated August 17, 2021.

21 35. “Settlement” means the disposition of the Action pursuant to this Agreement.

22 36. “Settlement Administration Costs” means the amount to be paid to the Settlement
23 Administrator from the Gross Settlement Amount for administration of this Settlement.

24 37. “Settlement Administrator” means CPT Group (“CPT”). The Settlement
25 Administrator shall be responsible for, *inter alia*: (a) performing Spanish translations of the Notice of
26 Class Settlement; printing and mailing the Notice of Class Settlement to the Class in English and
27 Spanish; (b) receiving and reporting the Requests for Exclusion and Objections submitted by Class
28 Members; (c) providing declaration(s) as necessary in support of preliminary and/or final approval of

1 this Settlement; (d) processing and mailing payments to Plaintiff, Class Counsel, the LWDA, and
2 Settlement Class Members; and (e) any other tasks as the Parties mutually agree or the Court orders
3 the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely
4 apprised of the performance of all Settlement Administrator responsibilities. The Parties agree that
5 they have no financial interest or other relationship with CPT that could create a conflict of interest.
6 Should a conflict of interest or other issue lead to the disqualification of the selected Settlement
7 Administrator, the Parties will meet and confer as to a suitable replacement.

8 38. "Settlement Class" or "Settlement Class Members" means all Class Members who
9 have not opted out of the Class by submitting a valid and timely Request for Exclusion.

10 **RECITALS**

11 39. Procedural History. On October 22, 2021, Plaintiff filed a PAGA complaint against
12 Defendant in San Bernardino Superior Court, Case No. CIVSB2130458. Defendant filed a Notice of
13 General Appearance. On March 25, 2022, Plaintiff filed a First Amended Class Action Complaint
14 which is the Operative Complaint. On May 5, 2022, Defendant filed an answer to Plaintiff's First
15 Amended Class Action Complaint.

16 40. Investigation and Discovery. The Parties have conducted significant investigation of
17 the facts and law during the prosecution of this Action and before this Settlement was reached. Such
18 discovery and investigation included, *inter alia*, the exchange of information and extensive documents
19 pertaining to Plaintiff and the Class, and numerous meetings and informal conferences wherein the
20 Parties exchanged information, class data, and theories of the case. Plaintiff has also investigated the
21 law as applied to the facts of Plaintiff's claims and Defendant's potential defenses thereto.

22 41. Mediation. The Parties participated in a private mediation session with the highly
23 experienced mediator, Steve Pearl, Esq. on February 3, 2023. After a full day of mediation, the Parties
24 were able to resolve the matter after accepting a "Mediator's Proposal" for a proposed class action
25 and PAGA settlement that would fully resolve this matter.

26 42. Benefits of Settlement to Class Members. Plaintiff and Class Counsel recognize the
27 expense and length of continued proceedings necessary to litigate Plaintiff's claims through trial and
28 any possible appeals. Plaintiff has also taken into account the uncertainty and risk of the outcome of

1 further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel
2 are also aware of the burdens of proof necessary to establish liability for the claims asserted in the
3 Action, both generally and in response to Defendant’s defenses thereto, and the difficulties in
4 establishing damages for the Class. Plaintiff and Class Counsel have also taken into account
5 Defendant’s agreement to enter into a settlement that confers substantial relief upon the members of
6 the Class. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement
7 set forth in this Settlement Agreement is a fair, adequate, and a reasonable settlement, and is in the
8 best interests of the Class.

9 43. Defendant’s Reasons for Settlement. Defendant has concluded that any further defense
10 of this litigation would be protracted and expensive for all Parties. Substantial amounts of Defendant’s
11 time, energy, and resources have been and, unless this Settlement is completed, will continue to be
12 devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account the
13 risks of further litigation in reaching its decision to enter into this Settlement. Even though Defendant
14 continues to contend that it is not liable for any of the claims alleged by Plaintiff in this Action,
15 Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this
16 Settlement Agreement to put to rest the claims in this Action.

17 **STIPULATION AND AGREEMENT**

18 44. NOW THEREFORE, in consideration of the mutual covenants, promises, and
19 agreements set forth herein, the Parties agree, subject to the Court’s approval, as follows:

20 45. It is agreed by and among Plaintiff and Defendant that this Settlement shall bind the
21 Plaintiff, Settlement Class Members, and Defendant, subject to the terms and conditions hereof.

22 46. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
23 the “acknowledging party” and each Party to this Agreement other than the acknowledging party, an
24 “other party”) acknowledges and agrees that (1) no provision of this Agreement, and no written
25 communication or disclosure between or among the Parties or their attorneys and other advisers, is or
26 was intended to be, nor shall any such communication or disclosure constitute or be construed or be
27 relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31
28 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its

1 own, independent legal and tax counsel for advice (including tax advice) in connection with this
2 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
3 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
4 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty
5 that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party
6 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
7 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
8 acknowledging party of the tax treatment or tax structure of any transaction, including any transaction
9 contemplated by this Agreement.

10 47. Released Claims by Plaintiff. As of the Effective Date, Plaintiff, agrees to the Release
11 of Claims by Settlement Class Members, which is set forth in paragraph 31 above. In addition to
12 Release of Claims by Settlement Class Members and as a material inducement to Defendant to enter
13 into this Settlement Agreement, Plaintiff does hereby, for herself and for her spouse, heirs, successors,
14 beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal
15 representatives, and assigns, forever and completely release and discharge the Released Parties from
16 any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies,
17 damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including
18 back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest,
19 attorneys' fees, and costs) of any nature whatsoever, from the beginning of time through the execution
20 of this Settlement Agreement, whether known or unknown, suspected or unsuspected, including but
21 not limited to all claims arising out of, based upon, or relating to Plaintiff's employment with or work
22 for Defendant or the remuneration for or termination of such employment.

23 Without limiting the generality of the foregoing, Plaintiff expressly release all claims arising
24 under the California Labor Code (including, but not limited to, sections 201, 201.3, 202, 203, 204,
25 210, 216, 218.6, 221, 222, 225.5, 223.2, 224, 225, 225.5, 226.7, 227.3, 246, 248.1, 248.2, 248.3, 248.6,
26 450, 510, 511, 512, 558, 1174, 1174.5, 118.12, 1194, 1197, 1197.1, 1197.2, 1198, 2698 et seq., and
27 2802); the Wage Orders of the California Industrial Welfare Commission; the California Private
28 Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code section 17200

1 et seq.; the California Civil Code, to include, but not limited to, section 3336 and 3294; the California
2 common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; federal common law;
3 and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. Plaintiff's Released
4 Claims also include all claims for lost wages and benefits, emotional distress, retaliation, punitive
5 damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination,
6 harassment, and wrongful termination such as by way of example only, (as amended) 42 U.S.C.
7 section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age
8 Discrimination in Employment Act, and the California Fair Employment and Housing Act; and the
9 law of contract and tort. This release excludes the release of claims not permitted by law. As to the
10 Plaintiff's Released Claims only, Plaintiff expressly waives all rights and benefits under the terms
11 of section 1542 of the California Civil Code. Section 1542 reads as follows:

12 **A general release does not extend to claims that the creditor or releasing party does**
13 **not know or suspect to exist in his or her favor at the time of executing the release**
14 **and that, if known by him or her, would have materially affected his or her**
15 **settlement with the debtor or releasing party.**

16 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full
17 and complete release and discharge of all parties, Plaintiff and Class Counsel expressly acknowledge
18 that this Settlement Agreement is intended to include in its effect, without limitation, all claims that
19 Plaintiff knew of, as well as all claims that they do not know or suspect to exist in their favor against
20 the Released Parties, or any of them, for the time period from the beginning of time to the execution
21 of this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment
22 of any such claims. Plaintiff and Plaintiff's Counsel do not currently intend to pursue any claims
23 against Defendant, including, but not limited to, any and all claims relating to or arising from
24 Plaintiff's employment with Defendant, and that Plaintiff's Counsel is not currently aware of any
25 facts or legal theories upon which any claims or causes of action could be brought against
26 Defendant, excepting those facts or legal theories alleged in the Operative Complaint in this
27 Action. This release does not include claims which cannot be released such as unemployment or
28 Worker's Compensation benefits.

1 48. Class Certification. For settlement purposes only, Defendant will stipulate that the
2 Settlement Class Members described herein who do not request exclusion from the Settlement Class
3 may be conditionally certified as a settlement class. This stipulation to certification is in no way an
4 admission that class action certification is proper and shall not be admissible in this or in any other
5 action except for the sole purposes of enforcing this Agreement. Should the Court fail to issue Final
6 Approval for any reason, the Parties' stipulation to class certification as part of the Settlement
7 Agreement shall become null and void *ab initio* and shall have no bearing on but remains protected
8 by California Evidence Code Section 1152 and shall not be admissible in connection with, the issue
9 of whether or not certification would be appropriate in a non-settlement context. Defendant expressly
10 reserves its right and declares that Defendant will continue to oppose class certification and contest
11 the substantive merits of the case should the Court fail to issue Final Approval. Plaintiff expressly
12 reserves his rights and declares that he will continue to pursue class certification and a trial should the
13 Court fail to grant Final Approval.

14 49. Approval of Settlement. Plaintiff will move the Court to grant preliminary and final
15 approval of this class action Settlement. The Parties agree to work diligently and cooperatively to
16 have this matter presented to the Court for preliminary and final approval.

17 50. Release of Claims by Settlement Class Members. Settlement Class Members release
18 the "Released Claims by Settlement Class Members," as defined, as of the Effective Date.

19 51. Release of Settled PAGA Claims. PAGA Members release the "Settled PAGA
20 Claims," as defined, as of the Effective Date.

21 51. Settlement Administration. Within ten business (10) business days after the
22 Preliminary Approval Date, Defendant shall provide the Settlement Administrator with the Class
23 Information.

24 53. Notice to the Class. Upon receipt of the Class Information, the Settlement
25 Administrator will perform a search based on the National Change of Address Database to update and
26 correct any known or identifiable address changes. Within ten (10) business days after receiving the
27 Class Information, the Settlement Administrator shall mail copies of the Notice of Class Settlement
28 to all Class Members via regular First Class U.S. Mail. The Settlement Administrator shall exercise

1 its best judgment to determine the current mailing address for each Class Member. The address
2 identified by the Settlement Administrator as the current mailing address shall be presumed to be the
3 best mailing address for each Class Member.

4 a. Undeliverable Notices. Any Notice of Class Settlement returned to the
5 Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to
6 the forwarding address affixed thereto within ten (5) business days. For any undeliverable Notice of
7 Class Settlement returned for which no forwarding address is affixed, the Settlement Administrator
8 will conduct its investigation for an updated address of the Class Member and re-mail the Notice of
9 Class Action Settlement. If an updated address is found, the Settlement Administrator shall have five
10 (5) business days to from receipt of the updated address to re-mail the Notice of Class Action
11 Settlement. The Settlement Administrator will provide a cover letter notifying the Class Member of
12 the extended Response Deadline. Any Class Member who receives a re-mailed Notice of Class
13 Settlement shall have forty-five (45) calendar days after the postmark date of the re-mailed Notice of
14 Class Settlement to: (a) submit a Request for Exclusion; (b) submit an Objection to the Settlement; or
15 (c) dispute the pay periods.

16 (1) Verification of Class Member Employment Status. If Notice of Class
17 Action Settlement sent to a Class Member is determined to be
18 undeliverable, the Settlement Administrator shall verify the
19 employment status of the Class Member with Defendant within five
20 (5) business days of receipt of the undeliverable Notice of Class
21 Action Settlement. If the Class Member is a current employee of
22 Defendant, Defendant shall take all reasonable efforts to obtain the
23 current address from the Class Member and shall provide the same
24 with five (5) business days of notice from the Settlement
25 Administrator.

26 b. Disputes Regarding Individual Settlement Payments. Class Members will have
27 the opportunity, should they disagree with Defendant's records regarding the dates of employment
28 stated in the Notice of Class Settlement, to provide documentation and/or an explanation to show

1 contrary information by the Response Deadline. The dispute form must: (a) contain the full name,
2 address, and telephone number of the Class Member, and the last four digits of the Class Member's
3 social security number or full employee ID number; (b) contain the case name and case number; (c) a
4 clear statement by the Class Member that he or she is disputing the number of Compensable Pay
5 Periods and the basis for the dispute; (d) any documentation demonstrating that the number of
6 Compensable Pay Periods listed in the Notice of Class Settlement is incorrect; (e) be signed by the
7 Class Member; and (f) be postmarked by the Response Deadline. If there is a dispute, the Settlement
8 Administrator will consult with the Parties to determine whether an adjustment is warranted. In
9 addition to U.S. Mail, a Class Member may also submit a dispute form by facsimile or email to the
10 Settlement Administrator within the Response Deadline. If emailed or sent by facsimile only, the the
11 date of receipt of the email or facsimile with the dispute form shall be the exclusive means used to
12 determine whether it has been timely submitted. The Settlement Administrator shall then determine
13 the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this
14 Agreement. In the absence of circumstances indicating fraud, manipulation or destruction,
15 Defendant's records shall be given a rebuttable presumption of accuracy.

16 c. Request for Exclusion. Class Members who wish to exclude themselves from
17 the Settlement must submit to the Settlement Administrator a Request for Exclusion by the Response
18 Deadline. The Request for Exclusion must: (a) contain the full name, address, and telephone number
19 of the Class Member, and the last four digits of the Class Member's social security number or full
20 employee ID number; (b) contain the case name and case number; (c) a clear statement by the Class
21 Member that he or she is electing to be excluded from the Settlement; (d) be signed by the Class
22 Member; and (e) be postmarked by the Response Deadline if submitted by U.S. Mail. The date of the
23 postmark on the return mailing envelope on the Request for Exclusion submitted by U.S. Mail shall
24 be the exclusive means used to determine whether it has been timely submitted. In addition to U.S.
25 Mail, a Class Member may also submit a Request for Exclusion by facsimile or email to the Settlement
26 Administrator within the Response Deadline. If emailed or sent by facsimile only, the date of receipt
27 of the email or facsimile with the Request for Exclusion shall be the exclusive means used to
28 determine whether it has been timely submitted. A Request for Exclusion shall not be presumptively

1 invalid if it does not contain the requirements of (a) through (d) if the Settlement Administrator can
2 ascertain the identity of the Class Member who wants to exclude themselves from the Settlement. Any
3 Class Member who requests to be excluded from the Settlement Class shall not be entitled to any
4 recovery under the Settlement and shall not be bound by the terms of the Settlement or have any right
5 to object, appeal or comment thereon except as to any distribution based upon PAGA penalties.
6 PAGA Members will receive their share of the PAGA Payment and the Settled PAGA Claims will be
7 released even if the Class Member submits a timely Request for Exclusion. Class Members who fail
8 to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound
9 by all terms of the Settlement and any Final Approval Order and Judgment entered in this Action.

10 d. Objections. Class Members who wish to object to the Settlement can either
11 mail by U.S. Mail or send by facsimile or email to the Settlement Administrator a written Objection
12 by the Response Deadline. The Objection should: (a) contain the full name, address, and telephone
13 number of the Class Member, and the last four digits of the Class Member's social security number;
14 (b) contain the case name and case number; (c) the dates of employment of the Class Member; (d)
15 be signed by the Class Member; (e) state the basis for the Objection, including any legal briefs,
16 papers or memoranda in support of the Objection; and (f) be received by the Response Deadline.
17 The date of the postmark on the return mailing envelope on the Objection shall be the exclusive
18 means used to determine whether the Objection has been timely submitted. If emailed or sent by
19 facsimile only, the date of receipt of the email or facsimile with the Objection shall be the exclusive
20 means used to determine whether it has been timely submitted. Class Members who submit a timely
21 Objection will have a right to appear at the final approval hearing in order to have their Objection
22 heard by the Court. At no time shall any of the Parties or their counsel seek to solicit or otherwise
23 encourage Class Members to submit Objections to the Settlement or appeal from the Final Approval
24 Order and Judgment. Class Counsel shall not represent any Class Members with respect to any such
25 Objections. The Settlement Administrator will provide the Parties with any Objection within five (5)
26 calendar days of receipt of the Objection. Plaintiff will file any and all Objections with the Court in
27 advance of the Final Approval Hearing. Oral or written Objections may also be made at the Final
28 Approval hearing without a written objection being submitted, but only with the Court's express

1 permission. If the Court rejects an Objection, the individual Class Member will be bound by the
2 terms of the Settlement.

3 e. If greater than fifteen percent (15%) of the Class Members opt out or object to
4 this Settlement Agreement or a number of Class Members whose share of the Net Settlement Amount
5 is 15% or more, Defendant will have the right to rescind and terminate the Settlement without
6 prejudice to its pre-settlement positions and defenses in the litigation. In such a case, the Parties and
7 any funds to be awarded shall be returned to their respective statuses as of the date and time
8 immediately prior to the execution of this Agreement.

9 f. Except for those Settlement Class Members who exclude themselves in
10 compliance with the Request for Exclusion procedures set forth above, all Settlement Class Members
11 will: (i) be deemed to be Participating Class Members for all purposes under this Settlement
12 Agreement; (ii) will be bound by the terms and conditions of this Settlement Agreement, the
13 Judgment, and the releases set forth herein; and (iii) except as otherwise provided herein, will be
14 deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy
15 of the Settlement.

16 54. Funding Gross Settlement Amount and Distribution. Within thirty (30) days of the
17 Effective Date of the Settlement or by October 30, 2023, whichever is later, Defendant shall wire
18 transfer approximately One-Hundred and Thirty-Seven Thousand and Five Hundred Dollars
19 (\$137,500), or one-half, of the Gross Settlement and applicable portion of the payroll taxes on the
20 taxable portion of the Settlement Payment to the Settlement Administrator. Within twelve (12) months
21 or no later than October 30, 2024, Defendant shall wire transfer One-Hundred and Thirty-Seven
22 Thousand and Five Hundred Dollars (\$137,500), or the remaining one-half, of the Gross Settlement
23 and applicable portion of the payroll taxes on the taxable portion of the Settlement Payment to the
24 Settlement Administrator. The Settlement Administrator will make two (2) distributions based upon
25 the funding of the Gross Settlement Amount by Defendant. Each distribution shall include one-half
26 of the Settlement Payments to the Class members, one-half of the Service Award, one-half of the
27 awarded Attorney's Fees and Costs, one-half payment to the LWDA and PAGA Employees and one-
28 half of the awarded costs of Settlement Administration.

1 55. Allocation of Settlement. Individual Settlement Payments will be paid from the Net
2 Settlement Amount and shall be paid pursuant to the settlement formula set forth herein. Individual
3 Settlement Payments shall be mailed by regular First Class U.S. Mail to Settlement Class Members'
4 last known mailing address.

5 a. The Settlement Administrator shall calculate the total Compensable Pay
6 Periods and Compensable PAGA Pay Periods for all Settlement Class Members based on the Class
7 Information provided by Defendant. The respective Compensable Pay Periods for each Settlement
8 Class Member will be divided by the total Compensable Pay Periods for all Settlement Class
9 Members, resulting in the Payment Ratio for each Settlement Class Member; a similar calculation will
10 apply to determining the Payment Ratio for Compensable PAGA Pay Periods. Each Settlement Class
11 Member's Payment Ratio will then be multiplied by the Net Settlement Amount to determine his or
12 her Individual Settlement Payment.

13 b. Individual Settlement Payments due to each Settlement Class Member shall be
14 designated as follows:

15 1. Thirty-Three and One Third percent (33.33%) of the Individual
16 Settlement Payment shall represent payment for alleged unpaid wages. This payment shall be
17 subject to the withholding of all applicable local, state, and federal taxes. Applicable payroll taxes
18 and/or contributions will be deducted from the amount paid to Settlement Class Members. The
19 Settlement Administrator will issue a W-2 Form to each Settlement Class Member in relation to this
20 payment.

21 2. Thirty-Three and One Third percent (33.33%) of the Individual
22 Settlement Payment shall represent payment of all penalties. These payments will not be subject to
23 withholding of local, state, and federal taxes. The Settlement Administrator will issue an IRS Form
24 1099 to each Settlement Class Member in relation to these payments.

25 3. Thirty-Three and One Third percent (33.33%) of the Individual
26 Settlement Payment shall represent payment of all interest. These payments will not be subject to
27 withholding of local, state, and federal taxes. The Settlement Administrator will issue an IRS Form
28 1099 to each Settlement Class Member in relation to these payments.

1 (a). Class Members With Missing/Unverifiable Social Security
2 Numbers and Withholdings of Taxes and Applicable Penalties. In the event that an Individual
3 Settlement Payment exceeds the threshold amount that must be reported to the Internal Revenue
4 Service by means of a Form 1099, Class Counsel, and the Settlement Administrator, will take all
5 necessary and reasonable steps to obtain W-9's from Class Members and to comply with applicable
6 IRS regulations on issuing 1099's without a social security number or tax entity identification number,
7 and shall take all reasonable and necessary steps to avoid imposition of IRS penalties against the Gross
8 Settlement Amount, including, but not limited to limiting payments below the reportable threshold
9 and/or withholding of taxes and any applicable penalties. The Settlement Administrator will contact
10 Class Members who are entitled to payments that exceed the taxable income threshold twice, with at
11 least 30 calendar days between the two contacts.

12 c. Uncashed Settlement Checks. Individual Settlement Payment checks shall
13 remain negotiable for one hundred and eighty (180) calendar days from the postmark date of issuance.
14 If the Settlement Check is not cashed, deposited, or otherwise negotiated within the 180-day deadline,
15 the check will be voided, and the funds associated with any such voided checks shall be distributed to
16 the State of California Controller's Office, Unclaimed Property Division, in the name of the affected
17 Class Member. The Release will be binding upon all Participating Class Members, including those
18 who do not cash their checks within the 180-day period. The Parties agree that this disposition results
19 in no "unpaid cash residue," or "unclaimed or abandoned funds" as the entire Net Settlement Amount
20 will be paid out to the Participating Class Members, whether or not they all cash their payment checks.

21 d. Certification By Settlement Administrator. The Parties have the right to
22 monitor and review administration of the Settlement. Any disputes not resolved by the Settlement
23 Administrator concerning the administration of the Settlement will be resolved by the Court, under
24 the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties
25 will confer in good faith to resolve the disputes without the necessity of involving the Court. Upon
26 completion of administration of the Settlement, the Settlement Administrator shall provide written
27 certification of such completion to counsel for the Parties, and which shall be filed with the Court as
28 necessary.

1 e. Settlement Awards Do Not Trigger Additional Benefits. All monies received
2 by Settlement Class Members shall be deemed to be income to such Settlement Class Members solely
3 in the year in which such awards actually are received by the Settlement Class Members. It is expressly
4 understood and agreed that the receipt of such Individual Settlement Payments will not entitle any
5 Settlement Class Member to additional compensation or benefits under any company compensation
6 or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle
7 any Settlement Class Member to any increased pension and/or retirement, or other deferred
8 compensation benefits. It is the intent of this Settlement that any Individual Settlement Payments
9 provided for in this Agreement are the sole payments to be made by Defendant to the Settlement Class
10 Members in connection with this Settlement, and that the Settlement Class Members are not entitled
11 to any new or additional compensation or benefits as a result of having received the Individual
12 Settlement Payments (notwithstanding any contrary language or agreement in any benefit or
13 compensation plan document that might have been in effect during the period covered by this
14 Settlement).

15 f. Class Representative Service Award. Defendant agrees not to oppose or object
16 to a Class Representative Service Award to Plaintiff of up to Six Thousand Dollars (\$6,000.00),
17 subject to Court approval. The Settlement Administrator shall issue an IRS Form 1099 – MISC to
18 Plaintiff in connection with the Class Representative Service Award payment. Plaintiff shall be solely
19 and legally responsible to pay any and all applicable taxes on her Class Representative Service Award
20 and shall hold harmless Defendant and Class Counsel from any claim or liability for taxes, penalties,
21 or interest arising as a result of the Class Representative Service Award payment. The Class
22 Representative Service Award shall be in addition to Plaintiff's Individual Settlement Payment. This
23 Settlement is not contingent upon the Court awarding Plaintiff a Class Representative Service Award
24 in any amount, and any amount requested by Plaintiff for the Class Representative Service Award that
25 is not granted by the Court shall return to the Net Settlement Amount and be distributed to Settlement
26 Class Members as provided in this Amended Agreement.

27 g. Class Counsel Award. Defendant agrees not to oppose or object to any
28 application or motion by Class Counsel for attorneys' fees not to exceed one-third from the Gross

1 Settlement Amount, or Ninety-One Thousand and Five Hundred and Seventy-Five Dollars
2 (\$91,575.00). Defendant further agrees not to oppose any application or motion by Class Counsel for
3 the reimbursement of any costs or expenses associated with Class Counsel's prosecution of this matter
4 from the Gross Settlement Amount not to exceed Twenty Thousand Dollars (\$20,000.00). Class
5 Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made
6 pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 – MISC to
7 Class Counsel for the payments made pursuant to this paragraph. This Settlement is not contingent
8 upon the Court awarding Class Counsel any particular amount in attorneys' fees and costs. Any
9 amount requested by Class Counsel for the Class Counsel Award and costs that is not granted by the
10 Court shall return to the Net Settlement Amount and be distributed to Settlement Class Members as
11 provided in this Agreement.

12 h. Settlement Administration Costs. The Settlement Administrator shall be paid
13 for the costs of administration of the Settlement from the Gross Settlement Amount. The costs of
14 notice and administration for the disbursement of the Gross Settlement Amount shall not exceed
15 Fifteen Thousand Dollars (\$15,000.00). Prior to the filing of a motion for final approval of this
16 Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the costs
17 of administration. Any amount requested by the Settlement Administrator for administration costs that
18 is not granted by the Court shall return to the Net Settlement Amount and be distributed to Settlement
19 Class members as provided in this Amended Agreement. Defendant will pay any fees incurred by the
20 Settlement Administrator if the settlement is not approved.

21 i. PAGA Payment. Forty Thousand dollars (\$40,000) from the Gross Settlement
22 Amount will be allocated to penalties under the Private Attorneys General Act of 2004. Seventy-five
23 percent (75%) of that amount, or \$30,000, will be paid to the LWDA and twenty-five (25%) of that
24 amount, or \$10,000, will be paid to the PAGA Members based upon Compensable PAGA Pay Periods
25 as determined by the PAGA Payment Ratio as set forth in Paragraph 25. This PAGA Payment is
26 made pursuant to California Labor Code § 2699(i).

27 56. Tax Liability: Class Counsel and Defendant make no representation as to the tax
28 treatment or legal effect of payments called for hereunder, and Plaintiff and the Settlement Class

1 Members are not relying on any statement or representation by Class Counsel or Defendant in this
2 regard. Plaintiff and Participating Class Members understand and agree that they will be solely
3 responsible for the payment of any taxes and penalties assessed on their respective payments described
4 herein. The amount of federal income tax withholding will be based upon a flat withholding rate for
5 supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or
6 supplemented. Income tax withholding will also be made pursuant to applicable state and/or local
7 withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at times and in
8 the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this
9 Settlement Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax
10 law, is changed after the date of this Settlement Agreement, the processes set forth in this Section may
11 be modified in a manner to bring Defendant into compliance with any such changes.

12 57. Distribution of Settlement Payments. Individual Settlement Payments to Settlement
13 Class Members, the Class Representative Service Awards, the Class Counsel Award, Settlement
14 Administration Costs, Defendant's share of employer payroll taxes and PAGA Payment, shall all be
15 distributed by the Settlement Administrator within ten (10) calendar days of receipt of the full Gross
16 Settlement Amount, payable in two (2) installments, from Defendant. Prior to distribution of
17 Individual Settlement Payments to the Settlement Class Members and PAGA Members, the
18 Settlement Administrator shall update the Class and PAGA Members addresses using the National
19 Change of Address Database.

20 58. Pay Period Differential. It is currently estimated that there were 627 Class Members
21 who collectively worked 8,708 Compensable Pay Periods in the Class Period through February 3,
22 2023. If it is determined by Plaintiff's counsel and confirmed by the Settlement Administrator that
23 more than 435 (5%) additional Class Member Pay Periods existed through final approval, the Gross
24 Settlement Amount will be increased on a pro rata basis according to the number of additional Pay
25 Periods in excess of 9,143 (5%).

26 59. Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration of
27 the Response Deadline, a final approval hearing shall be conducted to determine, *inter alia*, final
28 approval of the Settlement and amounts properly payable for: (a) Individual Settlement Payments; (b)

1 the Class Counsel Award; (c) the Class Representative Service Awards; (d) PAGA Payment; and (e)
2 the Settlement Administration Costs.

3 60. Nullification of Settlement Agreement. In the event: (a) the Court does not enter the
4 Order for preliminary approval of the Settlement; (b) the Court does not finally approve the
5 Settlement; (c) the Court does not enter a Final Approval Order and Judgment as provided herein;
6 (d) the Settlement does not become final for any other reason; or (e) the Court fails or refuses to
7 approve any material condition of this Settlement Agreement which effects a fundamental change of
8 the Settlement Agreement, this entire Settlement Agreement shall be null and void and
9 unenforceable as to all Parties herein at the option of any Party but remains protected by California
10 Evidence Code Section 1152, and any order or judgment entered by the Court in furtherance of this
11 Settlement shall be treated as void from the beginning. In such cases, the Parties and any funds to be
12 awarded under this Settlement shall be returned to their respective statuses as of the date and time
13 immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as
14 if this Agreement had not been executed, except that any fees already incurred by the Settlement
15 Administrator shall be paid by Defendant. Further, if the Settlement Agreement is voided or fails
16 for any reason, Plaintiff and Defendant will have no further obligations under the Settlement
17 Agreement, including any obligation by Defendant to pay the Settlement Amount, or any amounts
18 that otherwise would have been owed under this Settlement Agreement. In the event an appeal is
19 filed from the Court's Final Approval Order and Judgment, or any other appellate review is sought,
20 administration of the Settlement shall be stayed pending final resolution of the appeal or other
21 appellate review, and any fees incurred by the Settlement Administrator prior to it being notified of
22 the filing of an appeal from the Court's Final Approval Order and Judgment, or any other appellate
23 review, shall be paid to the Settlement Administrator by the party or person that filed the appeal,
24 within thirty (30) calendar days of said notification.

25 61. No Effect on Employee Benefits. Amounts paid to Plaintiff or other Settlement Class
26 Members pursuant to this Agreement shall be deemed not to be pensionable earnings and shall not
27 have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations,
28 holiday pay, retirement plans, etc.) of Plaintiff or Settlement Class Members.

1 62. No Admission by Defendant. Defendant denies any and all claims alleged in this
2 Action and denies all wrongdoing whatsoever. This Settlement Agreement is not a concession or
3 admission and shall not be used against Defendant as an admission or indication with respect to any
4 claim of any fault, concession, or omission by Defendant. Nonetheless, Defendant desires to settle
5 and compromise the matters at issue in the Action to avoid further substantial expense and the
6 inconvenience and distraction of protracted and burdensome litigation. Defendant also has taken into
7 account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the
8 defenses that it has asserted or could assert against Plaintiff and/or any Settlement Class Member, has
9 determined that it is desirable and beneficial that the claims of Plaintiff and the Settlement Class be
10 settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

11 63. INTENTIONALLY LEFT BLANK

12 64. No Publicity. Plaintiff and Plaintiff's Counsel agree not to disclose or publicize
13 the settlement, including the Memorandum of Understanding, the fact of the Settlement, its
14 terms or contents, and the negotiations underlying the Settlement, in any manner or form,
15 directly or indirectly, to any person or entity, except potential class members and as shall be
16 contractually required to effectuate the terms of the Settlement as set forth herein. For the
17 avoidance of doubt, this section means Plaintiff and Class Counsel will not to issue press
18 releases, communicate with, or respond to any media or publication entities, publish information
19 in manner or form, whether printed or electronic, on any medium or otherwise communicate,
20 whether by print, video, recording or any other medium, with any person or entity concerning
21 the Settlement, including the fact of the Settlement, its terms or contents and the negotiations
22 underlying the Settlement, except as shall be contractually required to effectuate the terms of the
23 Settlement as set forth herein. However, for the limited purpose of allowing Class Counsel to
24 prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the
25 Parties in this action and the venue/case number of this action (but not any other settlement
26 details) for such purposes.

27 65. Exhibits and Headings. The terms of this Settlement Agreement include the terms set
28 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.

1 Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any
2 paragraphs or sections of this Agreement are inserted for convenience of reference only and do not
3 constitute a part of this Agreement.

4 66. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
5 except such proceedings necessary to implement and complete the Settlement, holding the Action in
6 abeyance pending the final approval hearing to be conducted by the Court.

7 67. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning the
8 interpretation, calculation or payment of Settlement claims, or other disputes regarding compliance
9 with this Agreement shall be resolved as follows:

10 a. If Plaintiff or Class Counsel, on behalf of Plaintiff or any Settlement Class
11 Member, or Defendant's Counsel, on behalf of Defendant, at any time believe that the other Party has
12 breached or acted contrary to the Agreement, that Party shall notify the other Party in writing of the
13 alleged violation.

14 b. Upon receiving notice of the alleged violation or dispute, the responding Party
15 shall have ten (10) calendar days to correct the alleged violation and/or respond to the initiating Party
16 with the reasons why the Party disputes all or part of the allegation.

17 c. If the response does not address the alleged violation to the initiating Party's
18 satisfaction, the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their
19 differences.

20 d. If Class Counsel and Defendant's Counsel are unable to resolve their
21 differences after twenty (20) calendar days, either Party shall first contact the mediator (Steve Pearl)
22 to try to resolve the dispute. If that proves unsuccessful, the party may file an appropriate motion for
23 enforcement with the Court. The briefing of such motion should be in letter brief form and shall not
24 exceed five (5) single-spaced pages (excluding exhibits).

25 e. Reasonable attorneys' fees and costs for work done in resolving a dispute under
26 this Section may be recovered by any Party that prevails under the standards set forth within the
27 meaning of applicable law.

28

1 68. Notice. Unless otherwise specifically provided herein, all notices, demands or other
2 communications given hereunder shall be in writing and shall be deemed to have been duly given as
3 of the third business day after (i) emailing and (ii) mailing by United States registered or certified
4 mail, return receipt requested, addressed:

5 To the Settlement Class:

6 LAW OFFICE OF SCOTT ERNEST WHEELER
7 Scott Ernest Wheeler
8 Justin A. Wheeler
9 250 West First Street, Suite 216
10 Claremont, California 91711
11 Telephone: (909) 621-4988
12 Facsimile: (909) 621-4622
13 Email: sew@scottwheelerlawoffice.com
14 jaw@scottwheelerlawoffice.com

15 To Defendant:

16 STREAM KIM HICKS WRAGE & ALFARO, PC
17 Jamie E. Wrage
18 Amy J. Osborne
19 3403 Tenth Street, Suite 700
20 Riverside, California 92501
21 Telephone: (951) 783-9470
22 Facsimile: (951) 783-9475
23 Email: jamie.wrage@streamkim.com
24 amy.osborne@streamkim.com

25 69. Amendment or Modification. This Agreement may be amended or modified only by
26 a written instrument signed by counsel for all Parties and approved by the Court.

27 70. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute
28 the entire Agreement among these Parties, and no oral or written representations, warranties, or
inducements have been made to any Party concerning this Agreement or its Exhibits other than the
representations, warranties, and covenants contained and memorialized in the Agreement and its
Exhibits.

 71. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
represent they are expressly authorized by the Parties whom they represent to negotiate this
Agreement and to take all appropriate actions required or permitted to be taken by such Parties
pursuant to this Agreement to effectuate its terms, and to execute any other documents required to

1 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other
2 and use their best efforts to affect the implementation of the Settlement. In the event the Parties are
3 unable to reach agreement on the form or content of any document needed to implement the
4 Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of
5 this Settlement, the Parties may seek the assistance of the Court or the mediator to resolve such
6 disagreement. The persons signing this Agreement on behalf of Defendant represent and warrant that
7 they are authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and warrants
8 that he is authorized to sign this Agreement and that he has not assigned any claim, or part of a claim,
9 covered by this Settlement to a third-party.

10 72. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
11 to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

12 73. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they
13 have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or
14 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action
15 or rights released and discharged by this Settlement Agreement.

16 74. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
17 Order and Judgment, nothing contained herein, nor the consummation of this Settlement Agreement,
18 is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the
19 part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
20 Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant
21 inconvenience and expenses. This Settlement Agreement is a settlement document, and it, along with
22 all related documents such as the notices, and motions for preliminary and final approval, shall,
23 pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be
24 inadmissible as evidence in any proceeding, except an action or proceeding to approve the Settlement,
25 and/or interpret or enforce this Settlement Agreement. The stipulation for class certification as part
26 of this Settlement Agreement is for settlement purposes only and if for any reason the Settlement is
27 not approved, the stipulation will be of no force or effect.

28

1 75. California Law Governs. All terms of this Settlement Agreement and the Exhibits
2 hereto shall be governed by and interpreted according to the laws of the State of California.

3 76. Counterparts. This Settlement Agreement may be executed in one or more
4 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
5 instrument.

6 77. This Settlement is Fair, Adequate and Reasonable. The Parties believe this Settlement
7 is a fair, adequate, and reasonable settlement of this Action and have arrived at this Settlement after
8 extensive arms-length negotiations, taking into account all relevant factors, present and potential.

9 78. Jurisdiction of the Court. Pursuant to California Code of Civil Procedure section 664.6,
10 the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement
11 of the terms of this Settlement Agreement and all orders and judgments entered in connection
12 therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes
13 of interpreting, implementing, and enforcing the settlement embodied in this Agreement and all orders
14 and judgments entered in connection therewith. All terms of this Settlement Agreement are subject to
15 approval by the Court.

16 79. Construction. The Parties hereto agree that the terms and conditions of this Settlement
17 Agreement are the result of lengthy, intensive arms'-length negotiations among the Parties and that
18 this Settlement Agreement shall not be construed in favor of or against any Party based on the extent
19 to which any Party or their counsel participated in the drafting of this Settlement Agreement. Plaintiff
20 and Defendant expressly waive the common-law and statutory rule of construction that ambiguities
21 should be construed against the drafter of an agreement and further agree, covenant, and represent that
22 the language in all parts of this Settlement Agreement shall be in all cases construed as a whole,
23 according to its fair meaning.

24 80. Captions and Interpretations. Paragraph titles or captions contained herein are inserted
25 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope
26 of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is
27 contractual and not merely a recital.

28

1 81. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to
2 the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
3 successors and assigns.

4 82. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
5 because the members of the Settlement Class are numerous, it is impossible or impractical to have
6 each Settlement Class Member execute this Settlement Agreement. The Notice will advise all
7 Settlement Class Members of the binding nature of the release provided herein and such Release
8 shall have the same force and effect as if this Settlement Agreement were executed by each
9 Settlement Class Member.

10 83. Voluntary Agreement. The Parties acknowledge that they have entered into this
11 Settlement Agreement voluntarily, on the basis of their own judgment and without coercion, duress,
12 or undue influence of any Party, and not in reliance on any promises, representations, or statements
13 made by the other Parties other than those contained in this Settlement Agreement. Each of the
14 Parties hereto expressly waves any right they might ever have to claim that this Settlement
15 Agreement was in any way induced by fraud.

16 84. Opportunity to Consult with Counsel. Prior to execution of this Settlement
17 Agreement, each Party has read this entire Settlement Agreement and has been given the
18 opportunity to consult with independent counsel of their choosing and to have such independent
19 counsel advise as to the meaning of this Settlement Agreement and its legal effect.

20 85. Counterparts. This Settlement Agreement may be executed in counterparts, and when
21 each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed
22 an original, and, when taken together with other signed counterparts, shall constitute one fully-signed
23 Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic
24 signatures shall have the same force and effect as an original.

25 86. Invalidity of Any Provision. Before declaring any provision of this Settlement
26 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent
27 possible consistent with applicable precedents so as to define all provisions of this Agreement valid
28 and enforceable.

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3/27/2023

Dated: March __, 2023

By: _____

DocuSigned by:
Cecilia Cholico
DDE9BA0D4B9347E

Cecilia Cholico

Riley Family Enterprises, Inc.

Dated: March __, 2023


By: _____

Devon Riley
Title: President

APPROVED AS TO FORM:

DATED: March 27, 2023

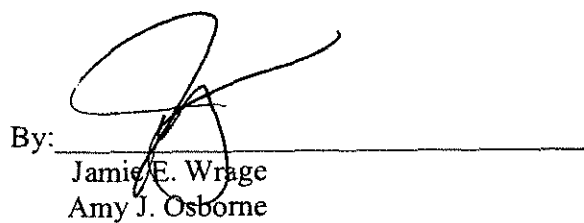
LAW OFFICE OF SCOTT ERNEST WHEELER


By: _____
Scott Ernest Wheeler
Justin A. Wheeler

Attorneys for Plaintiff and the Putative Class

DATED: March 23, 2023


STREAM KIM HICKS WRAGE & ALFARO, PC


By: _____
Jamie E. Wrage
Amy J. Osborne

Attorneys for Defendant

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Dated: March 21, 2023

By: 
Devon Riley
Title: President

APPROVED AS TO FORM:

DATED: March ____, 2023

LAW OFFICE OF SCOTT ERNEST WHEELER

By: _____
Scott Ernest Wheeler
Justin A. Wheeler

Attorneys for Plaintiff and the Putative Class

DATED: March ____, 2023

STREAM KIM HICKS WRAGE & ALFARO, PC

By: _____
Jamie F. Wrage
Amy J. Osborne

Attorneys for Defendant

EXHIBIT 1

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

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.

Table with 2 columns: Option and Description. Rows include: Participate in the Settlement, Exclude Yourself From the Settlement, and Object to the Settlement.

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 (k) 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.

Based on your Compensable Pay Periods, your individual settlement payment as a Settlement Class Member is estimated to be \$_____.

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.

Based on these PAGA Compensable Pay Periods, your PAGA Payment is estimated to be \$_____.

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 Cholico 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 (INSERT DATE) 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.

CPT Settlement Administrators
Re: *Cecilia Cholico*
INSERT ADDRESS
Phone: (800)
Facsimile: (714)
Email: INSERT EMAIL ADDRESS

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; (f) failure to furnish accurate, itemized wage statements, California Labor Code §§ 226 and 226.3; (g) failure to maintain required records; (h) failure to provide and calculate sick leave; (i) failure to indemnify employees for necessary expenses, California Labor Code § 2802; (j) unlawful business practices under California, Business and Professions Code §17200, et seq; and (k) 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 [INSERT DATE] 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 [INSERT DATE] 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 [INSERT DATE AND TIME] in Department S-26 of the Superior Court of the State of California, San Bernardino Superior Court – Civil Justice Center, located at 247 West 3rd 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
Facsimile: (909) 621-4622

Attorneys for Defendant are:

STREAM KIM HICKS WRAGE &
ALFARO, PC
Jamie E. Wrage
Amy J. Osborne
3403 Tenth Street, Suite 700
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 3rd 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>.

12. SAN BERNARDINO COUNTY SUPERIOR COURT SOCIAL DISTANCING PROCEDURES

Please go to 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.

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NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

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EXHIBIT 2

1 **LAW OFFICE OF SCOTT E. WHEELER**
Scott Ernest Wheeler (SBN 187998)
2 Justin A. Wheeler (SBN 342226)
250 West First Street, Suite 216
3 Claremont, California 91711
Telephone: (909) 621-4988
4 Facsimile: (909) 621-4622
Email: sew@scottwheelerlawoffice.com

5
6 *Attorneys for Plaintiff and on behalf
of the others similarly situated*

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF SAN BERNARDINO**
10 **SAN BERNARDINO JUSTICE CENTER**
11

12 CECILIA CHOLICO, individually, and on
13 behalf of all others similarly situated,

14 Plaintiff,

15 v.

16 RILEY FAMILY ENTERPRISES, INC., a
California corporation; and DOES 1 through
17 50, inclusive,

18 Defendant,
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CASE NO.: CIVSB2130458

**[PROPOSED] PRELIMINARY
APPROVAL ORDER**

Action Filed: October 22, 2021
Trial Date: None Set

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[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL

The Court now has before it, Plaintiff’s unopposed Motion for Preliminary Approval of Class Action Settlement (“Motion”). After reviewing the Motion, the Class Action and PAGA Settlement Agreement and Release (“Settlement Agreement”) and exhibits attached thereto, and good cause appearing therefore, the Court hereby finds and orders as follows:

1. The Court finds on a preliminary basis that the settlement memorialized in the Settlement Agreement appears to be fair and adequate, and falls within the range of reasonableness, and therefore meets the requirement for preliminary approval.

2. The Court conditionally certifies for settlement purposes the following class (the “Class” or “Settlement Class”):

All non-exempt employees who worked for Defendant in the state of California from October 22, 2017 through February 3, 2023.

The Class Period is from October 22, 2017 through February 3, 2023.

3. The Court conditionally approves for settlement purposes the PAGA allocation of this settlement to the California Labor and Workforce Development Agency (“LWDA”) and PAGA Members.

The PAGA Period is from August 18, 2020 through February 3, 2023.

4. The Court finds, for settlement purposes, that the Class meets the requirements for certification under California Code of Civil Procedure § 382 in that: (1) the Class is so numerous that joinder is impractical; (2) there are questions of law and fact that are common, or of general interest, to the Class, which predominate over any individual issues; (3) Plaintiff’s claims are typical of the claims of the Class; (4) Plaintiff and Plaintiff’s counsel will fairly and adequately protect the interests of the Class; and (5) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

5. The Court appoints, for settlement purposes, Plaintiff Cecelia Cholico as Representative for the Class.

6. The Court appoints, for settlement purposes, the Law Office of Scott E. Wheeler as

1 Counsel for the Class.

2 7. The Parties are ordered to carry out the Settlement according to the terms of the
3 Settlement Agreement.

4 8. The Court appoints CPT Settlement Administrators ("CPT") as the Settlement
5 Administrator and is ordered to carry out the administration of the settlement according to the terms of
6 the Settlement Agreement.

7 9. The Court approves as to form and content of the Class Action and PAGA Settlement
8 Notice. The Court finds that the dates selected for the mailing and distribution of the Notice Packet
9 meet the requirements of due process, provide the best notice practicable under the circumstances, and
10 shall constitute due and sufficient notice to all persons entitled thereto.

11 10. If any Class Member objects to the Settlement Agreement, the objecting party is not
12 required, either personally or through counsel: 1) to appear at the hearing on the motion for final
13 approval for that party's objection to be considered; or 2) to file or serve, or to state in the objection, a
14 notice of intention to appear at the hearing on the motion for Final Approval of the Class Settlement.

15 11. CPT, the Settlement Administrator, shall provide notice to any objecting party of any
16 continuance of the hearing of Plaintiff's Motion for Final Approval.

17 12. The Parties are ordered to carry out the Settlement according to the following
18 implementation schedule:

Event	Date
Last day for Defendant to provide the Settlement Administrator with the Class Information	
Last day for Settlement Administrator, CPT to mail Class Notice	
Last day for Class Members to submit a dispute regarding Workweeks, Request for Exclusion, or written Objection	
Last Day for Plaintiff to file Motion for Final Approval of the Class Settlement, Attorneys' Fees and Costs and Class Representative Service Award	Per Code.
Final Approval Hearing	

1 13. The Court finds that the method of giving notice to the Class constitutes the best means
2 practicable of providing notice under the circumstances. The Court further finds that the Notice Packet
3 and the method of giving notice to the Class meet the requirements of California Code of Civil
4 Procedure § 382, California Rules of Court, Rules 3.766 and 3.769, and due process under the
5 California and United States Constitutions, and other applicable law.

6 14. At the Final Approval Hearing, the Court will consider whether the Settlement should
7 be finally approved as fair, reasonable and adequate, whether a final judgment should be entered, and
8 whether the payments provided for under the Settlement, including attorneys' fees and costs and class
9 representative service award, should be finally approved and granted.

10 15. Pending the Final Approval Hearing, all proceedings in this Action, other than
11 proceedings necessary to implement the Settlement and this Order, are stayed.

12 **IT IS SO ORDERED.**

13
14 DATED: _____

_____ **HONORABLE DAVID COHN**
JUDGE OF THE SUPERIOR COURT