# SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIM

This Settlement Agreement and Release of PAGA Claim ("Settlement Agreement") is made by and between Plaintiff Efren Gavin Garibay ("Garibay" or referred to as "Plaintiff"), on behalf of himself and as representative for the California Labor and Workforce Development Agency ("LWDA") as well as all other PAGA Employees, and Defendants, Super Center Concepts, Inc. and Super Center Concepts Holdings, LLC ("Defendants"), who may collectively be referred to herein as the "Parties," and each may be individually referred to as a "Party."

## A. Definitions

The following terms, when used in this settlement agreement, shall have the following meanings:

1. "Action" or "Lawsuit" means *Efren Gavin Garibay v. Super Center Concepts, Inc., et al.*, Riverside County Superior Court, Case Number: CVRI2406236.

2. "Agreement," "Stipulation," or "Settlement Agreement," mean this Settlement Agreement and Release of PAGA Claim, including any attached Exhibits.

3. "Approval Date" means the date that the Court enters the Final Order and Judgment.

4. "Attorneys' Fees and Costs" means the amount of one-third of the Gross Settlement Amount, or Four Hundred Forty-Nine Thousand Five Hundred and Fifty Dollars and Zero Cents ($449,550) which shall be allocated to Plaintiff's Counsel for attorneys' fees, all of which shall be paid out of the Gross Settlement Amount. This Settlement is not conditioned on approval of the Attorneys' Fees and Costs; in other words, this Settlement shall remain in full force and effect if the Court awards less than the requested Attorneys' Fees and Costs. If less than one-third of the Gross Settlement Amount is awarded for Attorneys' Fees and Costs, the difference shall return to the Net Settlement Amount.

5. "Court" (or "Judge") means the Riverside Superior Court, the Honorable Harold W. Hopp, Judge Presiding.

6. "Defendants" means Super Center Concepts, Inc. and Super Center Concepts Holdings, LLC.

7. "Defendants' Counsel" means Ronda Jamgotchian, Paul Berkowitz, and Raymond Nhan of Sheppard Mullin Richter & Hampton, LLP.

8. "Effective Date" means the latter of the following dates: (a) sixty-one (61) days after the Final Approval Date; or, (b) if a timely appeal is made, ten (10) business days after the final resolution of that appeal if the appeal is rejected, the Settlement is upheld, and the Final Order and Judgment is no longer subject to further judicial review.

9. "Eligible Pay Period" means any pay period worked by a PAGA Employee during the PAGA Release Period.

10. “Final Order and Judgment” means the Court’s order approving this Private Attorneys General Act of 2004 (“PAGA”) Settlement and Final Judgment. The Final Order and Judgment will be submitted, substantially in the form attached hereto as **Exhibit 1**, in connection with the motion or stipulation for approval of this Settlement.

11. “Gross Settlement Amount” means the settlement amount that Defendants will pay in connection with this Settlement, which is One Million Three Hundred and Fifty Thousand Dollars and Zero Cents ($1,350,000). This is a non-reversionary Settlement; no portion of the Gross Settlement Amount will revert to Defendants under any circumstances.

12. “LWDA Settlement Proceeds” means the sixty-five percent (65%) of the Net Settlement Amount that shall be paid to the LWDA.

13. “Net Settlement Amount” means the amount that remains after deducting Attorneys’ Fees and Costs, Settlement Administration Costs, and the Service Award, from the Gross Settlement Amount.

14. “Notice” means the notice that will be sent to the PAGA Employees with payment after the Final Order and Judgment is entered by the Court. The Notice will be sent to PAGA Employees substantially in the form attached hereto as **Exhibit 2**. The Notice will also be sent in English and Spanish.

15. “LWDA Notices” means the letters submitted by Garibay on August 23, 2024 and February ____, 2025, to the LWDA notifying the LWDA and Defendants of alleged California Labor Code violations by Defendants.

16. On _______, 2025, in order to effectuate the terms of the Agreement, the Parties stipulated to the filing of a First Amended PAGA Complaint. The Court approved of the Stipulation and the First Amended PAGA Complaint was filed on _____________ which is the “Operative Complaint.”

17. “PAGA Employees” means all hourly, non-exempt employees who worked for Defendants in California at any time from November 2, 2021, through March 31, 2025.

18. “PAGA Employees Settlement Proceeds Fund” means thirty-five percent (35%) of the Net Settlement Amount that shall be paid to the PAGA Employees.

19. “PAGA Representative Claims” means Plaintiff’s PAGA claims alleged under California Labor Code § 2698 *et. seq*. based on alleged predicate violations of California Labor Code §§ 200, 201, 202, 203, 204, 210, 221, 223, 224, 226, 226.3, 226.7, 227.3, 232, 232.5, 245, 245.5, 246, 247.5, 248, 351, 432, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2810.5, and IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001, §§3, 4, 7, 11, 12, 14 only, as alleged in the Operative Complaint.

20. “PAGA Settlement” or “Settlement” means the settlement of the Action as memorialized in this Agreement.

21. “PAGA Release Period” means November 2, 2021, through March 31, 2025.

22. "Parties" means Plaintiff and Defendants collectively.

23. "Plaintiff" means Efren Gavin Garibay.

24. "Plaintiff's Counsel" means Scott Ernest Wheeler and Justin A. Wheeler of The Wheeler Law Firm, APC.

25. "Released Parties" means Defendants and its officers, directors, employees and agents only.

26. "Settlement Administrator" means ILYM Group, Inc., or any other administrator proposed by the Parties and approved by the Court. The Settlement Administrator will be responsible for, *inter alia*, sending Notice and payments to PAGA Employees and the LWDA and distributing other payments as set forth in this Agreement. The Parties and their counsel represent that they do not have any involvement in the governance or work of the Settlement Administrator.

27. "Settlement Administration Costs" means the maximum amount of $35,250 which shall be paid to the Settlement Administrator for performing the duties provided under the Settlement. If less than $35,250 is approved for Settlement Administration costs, the difference shall return to the Net Settlement Amount.

28. "Service Award" means the amount of $5,000 to Plaintiff, subject to Court approval, in recognition for his efforts in prosecuting the case, obtaining the benefit of the Settlement, and as consideration for Plaintiff's released claims, which includes a broad general release, against Defendants. The Service Award shall be paid from the Gross Settlement Amount. This Settlement is not conditioned on approval of the Service Award; in other words, this Settlement shall remain in full force and effect if the Court awards less than the requested $5,000. If less than $5,000 is awarded to Plaintiff, the difference shall return to the Net Settlement Amount.

## B. <u>General</u>

1. On November 6, 2024, Garibay filed an action in the Riverside County Superior Court, pursuant to PAGA, alleging: 1) the failure to provide meal periods, 2) failure to provide rest periods, 3) failure to pay overtime wages, 3) failure to pay minimum wages, 4) failure to pay all wages due to discharged and quitting employees, 5) failure to furnish accurate and itemized wage statements, 6) failure to maintain records, 7) failure to provide suitable seating, and 8) failure to indemnify employees for necessary expenditures.

2. On January 28, 2025, following extensive investigation and the exchange of data and documents related to the claims alleged, the Parties participated in a mediation with Michael Mandel, Esq. After a full-day mediation, the Parties were unable to reach a settlement of the Action. At the conclusion of the mediation, the mediator made a proposal which was accepted by the Parties on February 11, 2025.

3. Defendants deny all of the allegations and claims asserted in the Action and deny that they have committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind.

4. The Parties have conducted a thorough investigation into the facts of the Action. This included, *inter alia*, conducting extensive informal discovery that involved the exchange of information and documents relating to the PAGA Representative Claims. Defendants produced information relating to the applicable PAGA pay periods, the number of PAGA employees and payroll records for PAGA Employees which included sample wage statements. Based on the foregoing information and on their own independent investigation and evaluation, Plaintiff's Counsel are of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the LWDA and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendants, and potential appellate issues. Defendants and counsel for Defendants also agree that the settlement is reasonable and fair.

5. The Parties understand, acknowledge, and agree that this Agreement constitutes a compromise of the PAGA Representative Claims and that it is the desire and intention of the Parties to affect a final and complete resolution of the Actions, including the PAGA Representative Claims, against Defendants. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability by Defendants.

6. Under California law, the State may assess and collect civil penalties from employers for violations of certain provisions of the California Labor Code. (*See* Cal. Lab. Code §§ 2698 *et seq.*) Under PAGA, however, if an "aggrieved employee" "give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated," and the State thereafter decides not to investigate, as was the case here, or does investigate and determines that a citation against the employer should not issue, the employee may, "as an alternative" to enforcement by the State, act as a proxy or agent of the state's labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties "on behalf of himself or herself and other current or former employees." *Id.* "[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 65 percent to the state and 35 percent to the aggrieved employees." *Id.*

7. California Labor Code § 2699(l)(2) provides that the trial court shall "review and approve any settlement of any civil action filed pursuant to this part." Plaintiff will submit this Settlement Agreement to the LWDA concurrently with the filing of the motion for approval with the Court.

8. In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

## C. <u>Terms of Settlement</u>

1. Subject to the Court's approval of the Settlement pursuant to California Labor Code § 2699(l)(2), which the Parties and their counsel agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Action.

2. The Gross Settlement Amount will be distributed in the following manner:

a. **Settlement Administration Costs:** The costs associated with settlement administration (e.g. preparing and mailing payments to LWDA and PAGA Employees, tax documentation, etc.) shall be paid from the Gross Settlement Amount and shall not exceed $35,250.

b. **Attorneys' Fees and Costs:** The Parties agree that, subject to the Court's review and approval, Plaintiff's Counsel will be paid one-third of the Gross Settlement Amount $449,550 as attorneys' fees, which will be paid from the Gross Settlement Amount, plus actual litigation costs not to exceed $18,000 incurred in connection with work performed to litigate the Lawsuits and obtain Court approval of the Settlement, which will be paid from the Gross Settlement Amount.

c. **Service Award to Plaintiff**. The Parties agree that, subject to the Court's review and approval, Plaintiff will be paid a service award of $5,000.00. The Service Award which will be paid from the Gross Settlement Amount.

d. **Net Settlement Amount:** After deducting Settlement Administration Costs, Attorneys' Fees and Costs, and the Service Award from the Gross Settlement Amount, the remainder forms the Net Settlement Amount (which totals approximately $842,200 if the amounts set forth above are approved by the Court). The Net Settlement Amount shall be allocated seventy-five percent (65%) to the LWDA as the LWDA Proceeds, which is estimated to total approximately $547,430. The remaining twenty-five percent (35%) of the Net Settlement Amount, which is estimated to total approximately $294,770, shall be paid to the PAGA Employees on a *pro rata* basis ("PAGA Employees Settlement Proceeds Fund"), which shall be determined based on the number of pay periods that he or she worked for Defendants during the PAGA Release Period and shall be calculated as follows:

The PAGA Employees Settlement Proceeds Fund will be divided by the total number of pay periods worked by all PAGA Employees during the PAGA Release Period, and the resulting figure will be referred to as the "Multiplier." Each PAGA Employee's *pro rata* share of the PAGA Employees Settlement Proceeds Fund will be determined by multiplying the pay periods that the PAGA Employee worked by the Multiplier. That amount shall be referred to as the PAGA Employee's "Individual Share."

**e.** **Taxes and Reporting**: The PAGA Employees' Individual Share will be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 (if applicable) to the respective PAGA Employee and applicable governmental authorities.

**D. Release as to the PAGA Representative Claim**

1. Upon the Effective Date, Plaintiff releases all claims for statutory penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff's LWDA PAGA Notices dated August 23, 2024 and March 10, 2025; Plaintiff does not release any other PAGA Employee's individual claim for wages or damages.

2. In accordance with California law as stated in *inter alia Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 . . . is binding not only on the named employee Plaintiffs but also on government agencies and any aggrieved employee not a party to the proceeding," which the Final Order shall so reflect. Accordingly, the Final Order and Judgment shall be binding on all PAGA Employees (including all nonparty aggrieved employees) as to all PAGA Representative Claims, and res judicata will bar Plaintiff and PAGA Employees from bringing future claims against Defendants that were brought, or could have been brought, in this Action. The Final Order and Judgment shall not bind nor release the PAGA Employees of any individual wage claims (or other individual claims).

**E. Release by Named Plaintiff Only**

1. Release and Covenant Not to Sue

a. In consideration for the terms and provisions of the Agreement, Plaintiff, for himself, and for his heirs, assigns, partners, executors, conservators, administrators, agents, employees, attorneys, past and present (collectively, "Plaintiff's Affiliates"), hereby fully and without limitation release, covenant not to sue, and forever discharge the Released Parties from any and all rights, claims, contracts, agreements, debts, demands, liabilities, actions, and causes of action, whether in law or in equity, suits, damages, liabilities, losses, attorneys' fees, costs, and expenses, of whatever nature whatsoever, known or unknown, fixed or contingent, suspected or unsuspected, that Plaintiff or the Plaintiff's Affiliates now have, or may ever have, against Defendants, or any of the Released Parties, for any matter, occurring on or before the date they sign this Agreement.

b. Without limiting the generality of the foregoing, Plaintiff acknowledges that this general release applies to any and all claims they or the Plaintiff's Affiliates now have, or may ever have, against Defendants, or any of the Released Parties, that arise out of or are in any way related to any alleged violation of any federal or state law that regulates any aspect of the employer-employee relationship, including any claims for any alleged violations of any federal or state employment discrimination, harassment, and retaliation laws, including the California Fair Employment and Housing Act (which prohibits discrimination, harassment, and retaliation based upon one's actual or perceived ancestry, race, religion, sex, sexual orientation, gender, gender identity, gender expression, age, color, national origin, disability, medical condition, military or veteran status and marital status), the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Americans With

Disabilities Act, and the Family Medical Leave Act; as well as the Equal Pay Act; the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, the California Business and Professions Code, the California Labor Code, and the California wage orders; as well as any claims for any alleged violation of public policy or retaliation; any claims for wages, hours, unpaid overtime, failure to pay minimum wage, failure to pay for downtime or waiting time, failure to provide meal or rest breaks or pay one hour's wages in lieu thereof, failure to indemnify for all work related expenditures and losses, and all related statutory claims, including but not limited to, alleged violation of California Labor Code sections 201-204, 208, 210, 215-216, 218.5, 225.5, 226, 226.3, 226.6, 226.7, 450, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2100, 2101, 2013, 2104, 2106, 2108, 2109, 2698, 2699, 2802, 2926, 2927, California Business and Professions Code sections 17000 and 17200 et. seq., the relevant Wage Orders issued by the Industrial Welfare Commission, Civil Code sections 52 and 52.1, or any other claim for any statutory penalty that could have been asserted under California law that arise from the allegations as described, any claims concerning or related to meal and/or rest breaks, inaccurate wage statements, any other employment-related claims under any federal, state, or local law, statute, regulation, or ordinance; and any and all common-law causes of action, including breach of contract, breach of implied contract, breach of the covenant of good faith and fair dealing, fraud, misrepresentation, unfair competition, unfair business practices, false advertising, negligence, defamation, infliction of emotional distress, invasion of privacy, and wrongful termination, which arise from any and all events occurring on or before the Effective Date of this Agreement, including without limitation, all claims arising from action or inaction by Defendants, or any of the Released Parties.

c. Notwithstanding the generality of the foregoing, Plaintiff also understands and agrees that he is not waiving any right or claim that cannot be waived as a matter of law, such as the right to file a charge with or participate in an investigation by a governmental administrative agency.

2. To effect a full and complete general release as described above, Plaintiff expressly waives and relinquish all rights and benefits of section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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

Plaintiff's general releases shall become effective on the Effective Date.

The general release set forth in Paragraph E of this Agreement applies only to Plaintiff. It does not apply to the State of California or the PAGA employees.

## F. Settlement Approval and Implementation Procedures

1. Pursuant to California Labor Code § 2699(l)(2), or otherwise for the purposes of obtaining Court approval of the Settlement, Plaintiff will file a motion for approval, declaration(s) advocating that the Settlement is fair, adequate, and reasonable, and any other documents in support of approval of the Settlement. Defendants shall not unreasonably oppose the filing of any of these documents. Defendants shall also reasonably cooperate with any efforts to obtain approval of this Settlement.

2. No later than ten (10) calendar days of the Effective Date, Defendants shall provide the Settlement Administrator, which shall be formatted as a Microsoft Excel spreadsheet or Microsoft Word Document, with the following information for each PAGA Employee: his/her full name; social security number; last known address; last known telephone number; and number of pay periods worked by each PAGA Employee during the PAGA Release Period (the "PAGA Employees List"). This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, and it shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.

3. No later than ten (10) calendar days after the Effective Date, Defendants shall fully fund the Gross Settlement Amount by transmitting by wire transfer the Gross Settlement Amount to the Settlement Administrator.

4. Within ten (10) calendar days of receiving the Gross Settlement Amount and the PAGA Employees List, the Settlement Administrator will make all payments provided under this settlement, including: (1) payment of attorneys' fees and costs to Plaintiff's Counsel, (2) payment of service award to Plaintiff, (3) payment to the LWDA, (4) payment to PAGA Employees, and (5) payment to itself for administration costs. With respect to payments to PAGA Employees, the Settlement Administrator shall send by first-class mail, to their last known address, the Court-approved notice of this settlement, and their individual settlement payment. The Settlement Administrator will skip trace and re-mail all returned, undelivered mail within ten (10) days of receiving notice that a notice was undeliverable.

5. PAGA Employees shall have one hundred eighty (180) calendar days after the mailing to cash or deposit their settlement checks. If any PAGA Employee's check is not cashed or deposited within that period, the check will be voided and a stop-payment will be issued. Any funds in the Settlement Administrator's account as a result of a failure to timely cash a settlement check shall be paid to the LWDA to further the interests of the LWDA and State of California. Neither Defendants, Defendants' Counsel, Plaintiff's Counsel nor Plaintiff will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of settlement checks or failure to timely cash a settlement check within the 180-day period.

6. Upon the Effective Date, the Parties will: (i) be bound by the terms and conditions of this Agreement, and the releases set forth therein; and (ii) be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the settlement and the Court's Final Order and Judgment.

## G. <u>Miscellaneous Provisions.</u>

1. **Additional Pay Periods:** Defendants estimate that the PAGA Employees worked no more than 900,000 aggregate pay periods for Defendants in California during the PAGA Release Period. If the number of pay periods worked by PAGA Employees during this period exceeds 900,000 by more than 10% (or 990,000 pay periods), the Gross Settlement Amount shall increase on a pro rata basis for each additional pay period over 990,000.

2. **Voiding the Agreement:** The Settlement Agreement shall be voidable and unenforceable as to all Parties herein at the option of either Party if (a) the Court should for any reason fail to approve this Settlement in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered void. In that event, then neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect, and all parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Any fees already incurred by the Settlement Administrator shall be paid by Defendants. Notwithstanding the foregoing, the Parties shall attempt in good faith to cure any perceived defects in the Settlement to facilitate approval.

3. **Waiver**: The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

4. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

5. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendants and Defendants' counsel, take all necessary steps to secure the Court's approval of the settlement, and the Final Order.

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

7. **No Admission:** Nothing in this Settlement Agreement nor action taken in implementation thereof shall be construed to be an admission or concession by Plaintiffs that their claims do not have merit or by Defendants of any liability or wrongdoing as to Plaintiff, PAGA Employees, or any other person, and Defendants specifically disclaim any such liability or wrongdoing. Nor will any of the foregoing be used in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation,

rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any court proceeding that has as its purpose the interpretation, implementation, or enforcement of the settlement or any orders or judgments of the Court entered into in connection therewith. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related Court documents or orders are not and may not be cited or admitted as evidence of liability. If the Court does not grant approval of this settlement, then the Parties revert to their previous positions and Defendants will contend that a representative action is not appropriate.

8. **Binding Settlement:** Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

9. **Enforcement Actions:** Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

10. **Notices**: All notices shall be provided by United States mail and electronic mail. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third calendar day after mailing by United States mail and electronic mail, addressed as follows:

To Plaintiffs:

The Wheeler Law Firm, APC
Scott Ernest Wheeler
Justin A. Wheeler
250 West First Street, Suite 216
Claremont, California 91711
Telephone: (909) 621-4988

To Defendants:

Sheppard Mullin Richter & Hampton LLP
Ronda Jamgotchian
Paul Berkowitz
Raymond J. Nhan
1901 Avenue of the Stars, Suite 1600
Los Angeles, California 90067-6017

11. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Settlement Agreement.

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

13. **Modification:** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

14. **Choice of Law:** This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

15. **Integration Clause:** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

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

17. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original.

18. **Entire Agreement:** This Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Any modification to this Agreement must be in writing and signed by the Parties.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date set forth below.

Dated: 3/27/2025

PLAINTIFF

Signed by:

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Efren Gavin Garibay

Dated: ________________

DEFENDANT, SUPER CENTER CONCEPTS, INC.

________________________________

Name: ____________________________

Title: ____________________________

Dated: ________________

DEFENDANT, SUPER CENTER CONCEPTS HOLDINGS, LLC

________________________________

Name: ____________________________

Title: ____________________________

**APPROVED AS TO FORM:**

Dated: March 27, 2025

THE WHEELER LAW FIRM, APC

________________________________

Scott Ernest Wheeler
Justin A. Wheeler

Dated: ________________

SHEPPARD MULLIN RICHTER & HAMPTON, LLP

________________________________

Ronda Jamgotchian
Paul Berkowitz
Raymond Nhan

Attorneys for Defendants, Super Center Concepts, Inc. and Super Center Concepts Holdings, LLC

Dated: 3/20/2025

DEFENDANT, SUPER CENTER CONCEPTS, INC.

Signed by:
Mary Kasper
8018AE11EE03423...

Name: Mary Kasper
Title: Chief Legal and Human Resources Officer

Dated: 3/20/2025

DEFENDANT, SUPER CENTER CONCEPTS HOLDINGS, LLC

Signed by:
Mary Kasper
8018AE11EE03423...

Name: Mary Kasper
Title: Chief Legal and Human Resources Officer

**APPROVED AS TO FORM:**

Dated: ________________

THE WHEELER LAW FIRM, APC

______________________________

Scott Ernest Wheeler
Justin A. Wheeler

Dated: 3/21/2025

SHEPPARD MULLIN RICHTER & HAMPTON, LLP

DocuSigned by:
Ronda Jamgotchian
97E1FADF26A54F8...

Ronda Jamgotchian
Paul Berkowitz
Raymond Nhan

Attorneys for Defendants, Super Center Concepts, Inc. and Super Center Concepts Holdings, LLC

EXHIBIT 1

**THE WHEELER LAW FIRM, APC**
Scott Ernest Wheeler (SBN 187998)
Justin A. Wheeler (SBN 342226)
250 West First Street, Suite 216
Claremont, California 91711
Telephone: (909) 621-4988
Facsimile: (909) 621-4622
Email: sew@scottwheelerlawoffice.com

*Attorney for Plaintiff and the Aggrieved Employees*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF RIVERSIDE**

**HISTORIC COURT HOUSE**

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| EFREN GAVIN GARIBAY, ROSA UMANA PERAZA, individually, and on behalf of all other aggrieved employees,<br><br>Plaintiff,<br><br>v.<br><br>SUPER CENTER CONCEPTS, INC., a California corporation; SUPER CENTER CONCEPTS HOLDINGS, LLC, a California limited liability company; and DOES 1 through 50, inclusive,<br><br>Defendants. | CASE NUMBER: CVRI2406236<br><br>**[PROPOSED] ORDER AND JUDGMENT APPROVING PAGA SETTLEMENT, ATTORNEY'S FEES AND COSTS AND SERVICE AWARD** |

## [PROPOSED] FINAL ORDER AND JUDGMENT

Plaintiffs Efren Gavin Garibay and Rosa Umana Peraza's unopposed Motion for Approval of the Private Attorneys General ("PAGA") Settlement came on for hearing on _____________, 2025, at 8:30 a.m. before the Honorable Harold W. Hopp, Department 1 of the above-entitled Court. The Court has considered the proposed PAGA Settlement Agreement, and all evidence filed in support thereof. This Order and Judgment incorporates the following defined terms.

**DEFINED TERMS**

1. "Operative Complaint" means Plaintiffs' PAGA Complaint filed by Plaintiff Efren Gavin Garibay in this action (the "Action") on October 28, 2024.

2. "LWDA Notices" means the November 2, 2022, notice to the Labor and Workforce Development Agency (LWDA) submitted on behalf of Plaintiff, Rosa Umana Peraza, and the LWDA notice dated August 23, 2024, by Plaintiff, Efren Gavin Garibay and amended LWDA Notice dated March 10, 2025, notifying the LWDA of alleged California Labor Code violations by Defendants.

3. "PAGA Employees" means all non-exempt employees who performed work for Defendants any time from November 2, 2021, through March 31, 2025.

4. "PAGA Representative Claims" means all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA notices dated November 2, 2022, August 23, 2024 and amended PAGA notice dated March 10, 2025, based upon the following violations of the Labor Code: (1) failure to provide required meal periods, pursuant to California Labor Code Sections 226.7, 512, 558 and Section 11 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (2) failure to provide required rest periods, pursuant to California Labor Code Sections 226.7, 515 and Section 12 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (3) failure to pay overtime wages, pursuant to Labor Code Sections 223, 224, 510, 1194, 1197.5, and Section 3 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (4) failure to pay minimum wages, pursuant to California Labor Code §§ 223, 224, 1194, 1194.2, 1197, 1197.5 and § 4 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (5) failure to timely pay wages, pursuant

to California Labor Code Sections 200, 204 and 210; (6) failure to pay all wages due to discharged and quitting employees, pursuant to California Labor Code Sections 200, 201, 202, 203 and 227.3; (7) unlawful withholding of wages, vacation pay and failure to pay at separation, in violation of California Labor Code Sections 221, 227, and 227.3; (8) failure to furnish accurate wage statements, pursuant to California Labor Code Sections 226(a), 226.3 and Section 7 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (9) failure to maintain required records, in violation of California Labor Code Sections 226(a), 247.5, 1174, 1174.5, and Section 7 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (10) failure to pay all gratuities received in violation of California Labor Code Section 351; (11) prohibiting non-exempt employees from discussing wages, in violation of California Labor Code Sections 232, and 232.5; (12) failure to provide for sick leave, in violation of California Labor Code Sections 245, 245.5, 246, and 248.5; (13) failure to provide for suitable seating, in violation of Section 14 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (14) failure to indemnify employees for necessary expenditures, in violation of California Labor Code Section 2802; (15) failure to provide employment records, in violation of California Labor Code Section 1198.5 and Section 7 of IWC Wage Orders No. 7-2001; (16) failure to furnish or provide all documents signed or obtained relating to employment, in violation of California Labor Code Section 432; (17) failure to maintain required wage theft records, in violation of California Labor Code Section 2810.5, and Section 7 of IWC Wage Order 7-2001; and (18) whistleblower retaliation in violation of California Labor Code Section 1102.5.

5. "PAGA Settlement" or "Settlement" means the settlement of the Action as memorialized in the Settlement Agreement.

6. "PAGA Release Period" means November 2, 2021, through March 31, 2025.

## TERMS OF THE ORDER AND JUDGMENT

The Court has determined that the Settlement provides genuine and meaningful relief that benefits the public, is fair, adequate, reasonable, and otherwise being fully informed and good cause appearing therefor, it is hereby **ORDERED, ADJUDGED, AND DECREED AS FOLLOWS**:

1. Unless otherwise provided herein, all capitalized terms used herein shall have the same meaning as defined in the Settlement Agreement and Release ("Settlement Agreement"). The Court has jurisdiction over the subject matter of this lawsuit and all matters relating thereto, and over all parties to the action.

2. The Court finds that the Settlement has been reached as a result of serious and non-collusive, arm's-length negotiations. The Court has considered the nature of the claims, the procedural history of this case, the amounts to be paid under the Settlement, the involvement of an experienced private mediator to facilitate the Settlement, the risks of continued litigation that Plaintiff would face, the civil penalties recoverable if Plaintiffs were to prevail at trial on their theories of liability under their PAGA claim, the allocation of settlement proceeds among the PAGA Employees, and the fact that a settlement represents a compromise of the Parties' respective positions rather than the result of a finding of liability at trial.

3. The Court hereby finds the Settlement involves the resolution of a bona fide dispute, was entered into in good faith, and is fair, reasonable, and adequate. The Court also finds that the Settlement provides genuine and meaningful relief that benefits the public consistent with the purpose of the Private Attorneys General Act of 2004, California Labor Code § 2699 *et seq.*

4. The Court therefore approves the Settlement as set forth in the Settlement Agreement and directs the Parties to effectuate the Settlement according to the terms set forth in the Settlement Agreement.

5. Neither the Settlement nor any of the terms set forth in the Settlement Agreement are admissions by Defendants, or any of the other Released Parties, of liability on any of the allegations alleged in the Action or otherwise, nor is this Order a finding of the validity of any claims in the Action, or of any wrongdoing by the Defendants, or any of the other Released Parties.

6. The Court finds that Plaintiffs' Counsel has adequately represented the Plaintiffs, the PAGA Employees, and the LWDA for purposes of entering into and implementing the Settlement.

7. The Court finds that the Settlement, and in particular the Gross Settlement Amount ("GSA") of $1,350,000 total to be distributed as set forth herein and in the Settlement Agreement,

is in all respects fair, reasonable, and adequate and is hereby approved. *See* California Labor Code § 2699(l)(2).

8. Pursuant to the terms of the Settlement, Administration Costs in the amount of $35,250.00, which are necessary to administer the Settlement, are hereby granted and shall be paid to ILYM Group, Inc., the designated third-party Settlement Administrator.

9. Pursuant to the terms of the Settlement, the requested attorneys' fees in the amount of $449,500 are reasonable under the common fund method and the lodestar method. The GSA of a total of $1,350,000 represents a true and common fund, as Defendants must pay the full GSA and no amount of the GSA will return to Defendants under any circumstances. It is recognized that attorneys who recover a common fund are entitled to a reasonable fee award from the fund.

10. The Court also finds that the requested attorneys' fees are reasonable under the lodestar method, or as a crosscheck on the percentage fee. Plaintiffs' counsel's lodestar exceeds the attorneys' fees amount of $449,500 (67% to The Wheeler Law Firm, APC and 33% to Capstone Law, APC). In fact, the fee award amounts to an implied negative multiplier on Plaintiffs' counsel's lodestar.

11. The Court further finds that Plaintiffs' counsel's requested litigation costs of $14,330.14 are reasonable and were necessary to prosecute the action.

12. Accordingly, and consistent with California Labor Code § 2699(g)(1), which authorizes an award of attorneys' fees and costs, the requested attorneys' fees in the amount of $449,500 and litigation costs in the amount of $14,330.14 are hereby granted and shall be paid to the Law Office of Scott Ernest Wheeler pursuant to the terms of the Settlement.

13. Pursuant to the terms of the Settlement, a service awards to Plaintiff Efren Gavin Garibay in the amount of $5,000.00 and Plaintiff Rosa Umana Peraza in the amount of $500.00, for a total amount of $5,550.00, in recognition of their efforts in prosecuting this action for the benefit of the State of California and PAGA Employees, and Plaintiffs' broad general release of all of their individual claims against Defendants, is hereby granted and shall be paid to Plaintiffs.

14. After deducting Settlement Administration Costs, Attorneys' Fees and Costs, and the Service Awards from the GSA, the remainder of $845,419.86, consistent with California Labor

Code § 2699(i), shall be allocated seventy-five percent (35%) to the LWDA and twenty-five percent (65%) to PAGA Employees. Accordingly, $549,522.90 shall be paid to the LWDA, and $295,896.96 shall be paid to PAGA Employees. The payments to the PAGA Employees will be paid proportionally based on the number of pay periods that each individual employee worked for Defendants during the PAGA Release Period.

15. As of the Effective Date, Plaintiffs, as the representative for the State of California, will forever completely release and discharge the Released Parties from any claim for the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* only. It is expressly understood and agreed that this settlement includes a release of all PAGA Representative Claims based on violations of California Labor Code, including, without limitation, for: (1) failure to provide required meal periods, pursuant to California Labor Code Sections 226.7, 512, 558 and Section 11 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (2) failure to provide required rest periods, pursuant to California Labor Code Sections 226.7, 515 and Section 12 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (3) failure to pay overtime wages, pursuant to Labor Code Sections 223, 224, 510, 1194, 1197.5, and Section 3 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (4) failure to pay minimum wages, pursuant to California Labor Code §§ 223, 224, 1194, 1194.2, 1197, 1197.5 and § 4 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (5) failure to timely pay wages, pursuant to California Labor Code Sections 200, 204 and 210; (6) failure to pay all wages due to discharged and quitting employees, pursuant to California Labor Code Sections 200, 201, 202, 203 and 227.3; (7) unlawful withholding of wages, vacation pay and failure to pay at separation, in violation of California Labor Code Sections 221, 227, and 227.3; (8) failure to furnish accurate wage statements, pursuant to California Labor Code Sections 226(a), 226.3 and Section 7 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (9) failure to maintain required records, in violation of California Labor Code Sections 226(a), 247.5, 1174, 1174.5, and Section 7 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (10) failure to pay all gratuities received in violation of California Labor Code Section 351; (11) prohibiting non-exempt employees from discussing wages, in violation of California Labor Code Sections 232, and 232.5; (12) failure to

provide for sick leave, in violation of California Labor Code Sections 245, 245.5, 246, and 248.5; (13) failure to provide for suitable seating, in violation of Section 14 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (14) failure to indemnify employees for necessary expenditures, in violation of California Labor Code Section 2802; (15) failure to provide employment records, in violation of California Labor Code Section 1198.5 and Section 7 of IWC Wage Orders No. 7-2001; (16) failure to furnish or provide all documents signed or obtained relating to employment, in violation of California Labor Code Section 432; (17) failure to maintain required wage theft records, in violation of California Labor Code Section 2810.5, and Section 7 of IWC Wage Order 7-2001; and (18) whistleblower retaliation in violation of California Labor Code Section 1102.5. The release shall be effective as of the Effective Date, and it shall apply to claims within the above scope impacting the PAGA Employees arising within the PAGA Release Period. This settlement agreement shall not impact any PAGA Employee's ability to assert Labor Code claims other than PAGA claims (i.e., a claim brought under California Labor Code § 2698, *et. seq.*) unless such claim is subject to res judicata, issue preclusion, or claim estoppel.

16. In accordance with California law as stated in *inter alia Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 . . . is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding." Thus, both the named employee plaintiff and nonparty aggrieved employees (i.e. all PAGA Employees) are bound by this Order and Judgment. *Id*. at 986. However, the Parties' Settlement Agreement shall not impact any PAGA Employee's ability to assert Labor Code claims other than the PAGA claims (i.e., a claim brought under California Labor Code § 2698, *et. seq.*) unless such claim is subject to res judicata, issue preclusion, or claim estoppel.

17. Neither this Order nor the Settlement Agreement (nor any other document referred to herein, nor any action taken to carry out this Order) is, may be construed as, or may be used as, an admission or concession by or against Defendants or the Released Parties of the validity of any claim or actual or potential fault, wrongdoing, or liability. Entering into or carrying out the Settlement Agreement, and any negotiations or proceedings related to it, shall not be considered

as, or deemed evidence of, an admission or concession as to Defendants' denials or defenses and shall not be offered or received in evidence in any action or proceeding against any party hereto in any court, administrative agency or other tribunal for any purpose whatsoever, except as evidence of the Settlement or to enforce the provisions of this Order and the Settlement Agreement; provided, however, that this Order and the Settlement Agreement may be filed in any action against or by Defendants or the Released Parties to support a defense of res judicata, collateral estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion or similar defense or counterclaim.

18. Judgment in this matter is entered in accordance with the terms of the Settlement Agreement and Approval Order. This judgment is intended to be a final disposition of the above captioned action in its entirety and is intended to be immediately appealable.

19. All envelopes transmitting settlement distribution to Aggrieved Employees shall bear the notation, "**YOUR PAGA SETTLEMENT CHECK IS ENCLOSED.**"

20. As set forth in the Settlement Agreement, all settlement checks shall be negotiable for one hundred and eighty (180) days from the date of mailing.

21. ILYM Group, Inc. shall mail a reminder postcard to any Aggrieved Employee whose settlement distribution check has not been negotiated within sixty (60) days after the date of mailing.

22. If any Aggrieved Employee who is a current employee of Defendants and the distribution mailed to that Aggrieved Employee is returned to ILYM Group, Inc. as being undeliverable, and ILYM Group, Inc. is unable to locate a valid mailing address, ILYM Group, Inc. shall arrange with Defendants to have distribution delivered to any currently employed Aggrieved Employee at their place of employment.

23. If a settlement check is not cashed, deposited, or otherwise negotiated within the one hundred and eighty (180) day deadline by an Aggrieved Employee, the check will be voided, and the funds associated with any such voided checks shall be distributed to the LWDA to further

the interests of the LWDA and State of California.

24. Upon the Effective Date, Plaintiffs and the State of California, shall have, by operation of this Order and Judgment, fully, finally, and forever released, relinquished, and discharged Defendants from all Released Claims as defined by the terms of the Settlement Agreement.

25. This Court shall retain jurisdiction with respect to all matters related to the administration and consummation of the Settlement, to enforce the terms of the judgment, and any and all claims, asserted in, arising out of, or related to the subject matter of the lawsuit, including but not limited to all matters related to the Settlement and the determination of all controversies relating thereto.

26. Counsel for Plaintiffs shall file a Notice of Entry of Order and Judgment Granting Approval of the Settlement pursuant to PAGA, and provide the same to ILYM Group, Inc., who shall post the Order and Judgment on its website within seven (7) calendar days after entry of the Order and Judgment. ILYM Group, Inc. shall post a copy of this signed judgment for one hundred and eighty (180) calendar days on its website in compliance with Rule 3.771(b) of the California Rules of Court in order to provide notice to the Aggrieved Employees this Order and Judgment. ILYM Group, Inc. shall also provide a mailed copy of the Notice of Entry of Order and Judgment to the Aggrieved Employees.

27. The Notice of Entry of Judgment shall state the following:

> "**TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD**: **PLEASE TAKE NOTICE** that on ___________, 2025, the Honorable Harold W. Hopp, in Department 1 of the Riverside County Superior Court, granted approval of the settlement pursuant to the Private Attorneys General Act ("PAGA") in this action and issued Judgment. Attached hereto as Exhibit A is a true and correct copy of the Judgment."

28. A Final Report (Nonappearance) Hearing regarding compliance with the terms of the Settlement is set for ______________________ at 8:30 a.m. in Department 1. A report from

ILYM Group, Inc. regarding distribution of the Settlement funds shall by filed ________________________. The report from ILYM Group, Inc. shall be in the form of a Declaration from the Settlement Administrator, by a declarant with personal knowledge of the facts, and describes: (i) the date the checks were mailed, (ii) the total number of checks mailed to Aggrieved Employees, (iii) the average amount of those checks, (iv) the number of checks that remain uncashed, (v) the total value of those uncashed checks, (vi) the average amount of the uncashed checks, and (vii) the nature and date of the disposition of those unclaimed funds.

29. Plaintiffs' Motion for Approval of the Settlement Pursuant to the Private Attorneys General Act ("PAGA") is hereby granted and the Court directs that a judgment shall be entered in accordance with the terms of this Order.

30. This document shall constitute a Judgment for purposes of California Rule of Court 3.769(h).

31. The Court reserves exclusive and continuing jurisdiction over the lawsuit for the purposes of supervising the implementation, enforcement, construction, administration, and interpretation of the Settlement Agreement and this Order.

**IT IS SO ORDERED.**

DATED: ________________

_________________________________
HONORABLE HAROLD W. HOPP
JUDGE OF THE SUPERIOR COURT

# EXHIBIT 2

[Date], 2025

ILYM Group, Inc,
2832 Walnut Avenue, Suite C
Tustin, California 92780

[Employee Name]
[Employee Street Address]
[City, State Zip]

Re: PAGA Settlement Payment

Dear Current or Former Employees of Super Center Concepts, Inc., and Super Center Concepts Holdings, LLC:

You have received this notice because Super Center Concepts, Inc.'s records indicate that you have worked for Super Center Concepts, Inc., at some time between November 2, 2021, through March 31, 2025. This notice relates to the settlement of a lawsuit entitled *Efren Gavin Garibay, Rosa Umana Peraza v. Super Center Concepts, Inc., et al.*, Riverside County Superior Court, Case Number: CVRI2406236 (the "Lawsuit").

In the Lawsuit, Plaintiffs Efren Gavin Garibay and Rosa Umana Peraza ("Plaintiffs") seek civil penalties pursuant to the California Private Attorneys General Act ("PAGA"), a law which allows Plaintiffs to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiffs claims were "aggrieved" by alleged wage and hour violations on the part of Super Center Concepts, Inc., and Super Center Concepts Holdings, LLC, based on alleged predicated violations, as follows: (1) failure to provide required meal periods, pursuant to California Labor Code Sections 226.7, 512, 558 and Section 11 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (2) failure to provide required rest periods, pursuant to California Labor Code Sections 226.7, 515 and Section 12 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (3) failure to pay overtime wages, pursuant to Labor Code Sections 223, 224, 510, 1194, 1197.5, and Section 3 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (4) failure to pay minimum wages, pursuant to California Labor Code §§ 223, 224, 1194, 1194.2, 1197, 1197.5 and § 4 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (5) failure to timely pay wages, pursuant to California Labor Code Sections 200, 204 and 210; (6) failure to pay all wages due to discharged and quitting employees, pursuant to California Labor Code Sections 200, 201, 202, 203 and 227.3; (7) unlawful withholding of wages, vacation pay and failure to pay at separation, in violation of California Labor Code Sections 221, 227, and 227.3; (8) failure to furnish accurate wage statements, pursuant to California Labor Code Sections 226(a), 226.3 and Section 7 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (9) failure to maintain required records, in violation of California Labor Code Sections 226(a), 247.5, 1174, 1174.5, and Section 7 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (10) failure to pay all gratuities received in violation of California Labor Code Section 351; (11) prohibiting non-exempt employees from discussing wages, in violation of California Labor Code Sections 232, and 232.5; (12) failure to provide for sick leave, in violation of California Labor Code Sections 245, 245.5, 246, and 248.5; (13) failure to provide for suitable seating, in violation of Section 14 of IWC Wage Orders Nos. 7-2001, 8-2001, 13-2001, 14-2001; (14) failure to indemnify employees for necessary expenditures, in violation of California Labor Code Section 2802; (15) failure to provide employment records, in violation of California Labor Code Section 1198.5 and Section 7 of IWC Wage Orders No. 7-2001; (16) failure to furnish or provide all documents signed or obtained relating to employment, in violation of California Labor Code Section 432; (17) failure to maintain required wage theft records, in violation of California Labor Code Section 2810.5, and Section 7 of IWC Wage Order 7-2001; and (18) whistleblower retaliation in violation of California Labor Code Section 1102.5.

Super Center Concepts, Inc., and Super Center Concepts Holdings, LLC dispute Plaintiffs' allegations and maintain that they have fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuit. Nonetheless, to avoid the cost and distraction of litigation, Super Center Concepts, Inc., and Super Center Concepts Holdings, LLC have made a business decision to settle the Lawsuit, which settlement has been approved by the Court. As part of the Settlement, Super Center Concepts, Inc., and Super Center Concepts Holdings, LLC agreed to pay a certain amount of penalties under PAGA. Under the PAGA statutes, penalties are divided between the State of California and aggrieved employees, with the State receiving sixty-five (65) percent of the penalties and the aggrieved employees receiving thirty-five (35) percent. Under the Settlement, Plaintiffs and the State have released the following claims on behalf of the aggrieved employees: all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA notices and amended PAGA Notices.

**The enclosed settlement check represents your portion of the Court-approved PAGA settlement. You will not be retaliated against for cashing your check. Checks that are not cashed within 180 calendar days of issuance will be voided and the funds will be distributed to the LWDA to further the interests of the LWDA and State of California.**

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuit.

If you have any questions about this notice, please contact the Settlement Administrator, ILYM Group, Inc., at _ 888-250-6810_______________.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUIT. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASE.