Kevin A. Lipeles (Bar No. 244275)
kevin@kallaw.com
Thomas H. Schelly (Bar No. 217285)
thomas@kallaw.com
Jasmine Badawi (Bar No. 335433)
jasmine@kallaw.com
LIPELES LAW GROUP, APC
880 Apollo Street, Suite 336
El Segundo, CA 90245
Telephone: (310) 322-2211
Facsimile: (310) 322-2252

Attorneys for Plaintiff
WILLIAM ROSE

AEGIS LAW FIRM, P.C.
Samuel A. Wong (Bar No. 217104)
swong@aegislawfirm.com
Kashif Haque (Bar No. 218672)
khaque@aegislawfirm.com
Jessica L. Campbell (Bar No. 280672)
jcampbell@aegislawfirm.com
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

Attorneys for Plaintiff
BRENDAN FITZGERALD

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CRUZ

WILLIAM ROSE, and BRENDAN FITZGERALD, as individuals, and on behalf of all others similarly situated,

Plaintiffs,

vs.

SCARBOROUGH HOME CENTER; SCARBOROUGH TAHOE, INC.; SCARBOROUGH LUMBER AND BUILDING SUPPLY, INC., DBA ACE HARDWARE, a California corporation; and DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 24CV02298

DECLARATION OF KEVIN LIPELES IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Judge: Hon. Syda Kosofsky Cogliati
Date: January 8, 2026
Time: 8:30 AM
Dept.: 5

Complaint Filed: August 13, 2024

DECLARATION OF KEVIN LIPELES

1. I am an attorney at law duly licensed to practice law in California and admitted to practice before this Court. I am the founding attorney of Lipeles Law Group, APC, which, along with co-counsel, Aegis Law Firm, PC, are attorneys of record for Plaintiffs William Rose and Brendan Fitzgerald (collectively "Plaintiffs") and the potential class in this lawsuit against Defendants Scarborough Home Center, Scarborough Lumber and Building Supply, Inc. dba Ace Hardware and Scarborough Tahoe, Inc. (collectively "Defendants").

2. I am over 18 years of age. I have personal knowledge of the facts set forth in this declaration and could and would testify competently thereto.

3. I have no knowledge of the existence of any conflict of interest between me and my firm and Plaintiffs, on the one hand, and any Class Member, on the other hand.

4. Prior to filing the Complaint, Plaintiffs' Counsel conducted an initial investigation of the facts and the law, and contacted potential witnesses at Defendants in California. I comprehensively investigated the applicable law as applied to the facts discovered, regarding the suitability of the action for class treatment, the claims of Plaintiff Rose, and the damages claimed by Plaintiff Rose. These witnesses corroborated the class-wide claims in Plaintiff Rose's complaint and supported my belief that Plaintiff Rose was a typical non-exempt hourly-paid employee and as such was subject to the same policies and procedures that gave rise to the claims of the Class.

5. On or about August 13, 2024, Plaintiff William Rose filed his Original Class Action Complaint in the Superior Court of California, Santa Cruz County, on behalf of himself and others similarly situated for certain present and former employees of Defendant Scarborough Lumber and Building Supply, Inc. dba Ace Hardware for: (1) failure to pay minimum wages (Cal. Labor Code §§ 1194, 1197, 1197,1, 1198, 119)[1]; (2) failure to pay for meal periods not provided (Cal. Labor Code §226.7); (3) failure to pay for rest periods not provided (Cal. Labor Code §226.7); (4) failure to maintain records and provide accurate itemized wage statements (Cal. Labor Code §§ 226); (5)

[1] Damages for failure to pay minimum wages are subsumed within the off the clock/overtime claims calculations. Further, Plaintiffs' Counsel investigated and ascertained that the following claims did not have any value: failure to provide a uniform maintenance allowance, failure to pay for all hours worked and failure to allow inspection of employment records.

failure to pay wages on termination and/or resignation (Cal. Labor Code §§ 201-203); (6) failure to reimburse business expenses (Cal. Labor Code § 2802); (7) failure to provide a uniform maintenance allowance (Cal. Labor Code § 2802); (8) failure to pay for all hours worked (Cal. Labor Code § 204); (9) failure to allow inspection of employment records (Cal. Labor Code § 1198.5); and (10) unfair/unlawful business practices (Cal. Bus. and Prof. Code §§ 17200 et seq.)

6. On September 13, 2024, Plaintiff Fitzgerald commenced his action by filing a Complaint alleging causes of action against Defendant Scarborough Home Center for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Reimburse Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Pay Wages Due Upon Separation of Employment; and (8) Unfair Competition.

7. On October 17, 2025, Plaintiff Rose filed his First Amended Class Action Complaint in the Santa Cruz Superior Court, adding a claim pursuant to the Private Attorney General Act of 2004, Cal. Lab. Code §§2699, *et seq*.

8. On or about July 9, 2025, Aegis Law Firm (representing Plaintiff Fitzgerald) and Lipeles Law Group (representing Plaintiff Rose) entered into a Joint Prosecution and Attorney Fee Split Agreement.

9. On or about October 20, 2025, Plaintiffs filed a consolidated Second Amended Class Action and PAGA Complaint.

10. Once the Action was filed, the Parties conducted extensive informal discovery, investigation and arm's-length negotiations. Since approximately July 2024, I have conducted a thorough investigation into the facts of this putative class action. The Parties exchanged and analyzed documents. The parties agreed to participate in the cost-effective alternative of settlement.

11. The informal discovery process culminated in a mediation scheduled for June 2, 2025. In preparing for the mediation, I reviewed various information and data produced by Defendant, including*, inter alia*,: (1) extensive review and analysis of relevant documents, including but not limited to documents relating to the total number of Class Members (549 at the time of mediation and presently 617), (2) employee handbooks, various policies and procedures,

(3) Employee List containing all non-exempt employees, timecards and wage statements for all employees on the Employee List, (4) analysis of a 20% sample of pay periods and meal period waivers; (5) detailed examination of data related to Defendants' PAGA exposure; and (6) research with respect to the applicable law and the potential defenses thereto.

12. This discovery allowed me to assess the merits and value of Plaintiffs' claims, the claims held by the Class Members, and Defendants' defenses.

13. Defendants' internal documents and computerized records showed that Defendants did not pay overtime, afford non-exempt hourly-paid employees meal/rest breaks, reimburse business expenses and provide accurate wage statements and pay all wages owed on separation of employment.

14. Negotiations at the mediation were hotly contested. At the settlement meeting, Defendants made the following arguments in their defense for which substantial "deductions" were thought to be appropriate by Plaintiffs' counsel and were applied to the maximum liability amount. Defendants contended that it is their policy and practice to pay all wages for all time worked.

15. Despite Defendants' contentions, I believed that Defendants' overtime, meal/rest break, expense reimbursement policies and procedures, violated their employees' rights to proper wage compensation, meal/rest breaks and reimbursement.

16. From the data received from Defendants, Plaintiffs constructed a damages model based on Defendants' exposure.

17. Plaintiffs' damages model shows the following conclusions concerning Defendants' exposure:

ALLEGATION	**LIABILITY RISK**
Off the Clock Work	$696,703.00
Overtime Wage Claim	$3,724.00
Rest Break Claim	$3,216,372.00
Meal Break Claim	$1,210.305.00
Failure to Reimburse Business Expenses Claim ($10.00 of unreimbursed cell phone business expenses per pay period based on 23,324 bi-weekly pay periods)	$233,240.00
Total, excluding interest	**$7,593,270.00**

The following table shows PAGA penalties from Plaintiffs' Damages Model, on the unpaid wages claim only since based on Labor Code 2699(h)(3)(i) PAGA penalties cannot be stacked:

Number of PAGA Pay Periods	8.105	
PAGA Penalty for Unpaid Wages (277 employees and all pay periods)	$810,500	$100/$100
Total PAGA penalties	**$810,500.00**	

Since PAGA penalties cannot be stacked, the maximum recoverable PAGA penalties is $810,500.00.

The following chart shows Waiting Time and Wage Statement Penalties:

Failure to Issue Accurate Itemized Wage Statement Claim (313 employees from 3/19/23 to 5/20/2025)	$809,900.00	$50/$100
Waiting Time (343 terminated employees beginning 3/19/21)	$1,419,993	
Total Waiting Time and Wage Statement Penalties	**$2,229,893.00**	

18. The $495,000 proposed GSA represents a compromise of Defendants' liability risk. The parties agreed to settle for $495,000.00 with no claims process and **no reversion** to Defendants of any settlement monies remaining after all Participating Class Members claims are paid.

19. On June 2, 2025, the parties virtually attended via Zoom an all-day mediation with mediator Paul Grossman, Esq. ("Mr. Grossman"). Co-Counsel, Defense counsel and I selected Mr. Grossman as a mediator based upon his experience in mediating wage and hour class action lawsuits. Jasmine Badawi, Esq. and I attended on behalf of Plaintiff Rose. Co-Counsel Jessica Campbell, Esq. Kashif Haque, Esq. and Samuel Wong, Esq. of Aegis Law Firm, PC also attended on behalf of Plaintiffs. Stacy Henderson, Esq. of Henderson Hatfield attended on behalf of Defendants. Plaintiffs also remotely attended the mediation. *See* Declaration of William Rose ("Rose Decl."), ¶10; Declaration of Brendan Fitzgerald ("Fitzgerald Decl.), ¶6.

20. Discussion focused on the many disputed legal and factual issues. Counsel for both

Parties analyzed the data provided by Defendants to estimate potential damages in the litigation. Arm's-length negotiations were conducted in good faith. The negotiations were lengthy and hard-fought.

21. With Mr. Grossman's help, we negotiated a class-wide resolution at the mediation. After a full day of negotiations, the parties agreed to settle for $495,000.00 with **no reversion** to Defendants of any settlement monies remaining after all Participating Class Members claims are paid.

22. The Parties negotiated a long-form agreement for over several months before executing the Amended Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement") in October and December 2025. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit A**.

23. I have evaluated the strengths of the class claims and assessed the range of potential outcomes of the litigation. In addition to disputing the merits of Plaintiffs' claims, Defendants would strongly challenge any request for class certification. While I believe that this case was suitable for class certification because the policies at issue are amenable to treatment on a class wide basis, there is always a significant risk associated with class certification proceedings and that uncertainty governed the settlement negotiations.

24. Defendants contend that they maintained legally compliant wage compensation policies, that Class members were paid for all hours worked and not paid all wages owed for off the clock work. However, Plaintiffs claim that Class Members were not paid overtime, Thus, not getting certified is a risk which Plaintiffs considered during the negotiations. Further, Defendants contend that it is their policy and practice to pay all wages for all time worked. Defendants maintain that they provided their non-exempt employees with legally-compliant meal/rest periods and that employees are required to document meal periods on their timecards. Defendants argued that they have no obligation to ensure that meal/rest breaks are taken. Additionally, Defendants contended that they advised their employees of their right and obligation to take rest breaks in their Employee Handbook, during training and in meetings. Defendants' Expert Exposure Analysis, which analyzed data relating to 159,942 Work Shifts, revealed the following statistics:

- Short 1st Meal Periods – 7.9% of Work Shifts, with 82.5% of 1st meal periods lasting 25+ minutes in length;
- Late 1st Meal Periods – 28.9% of Work Shifts;
- 1st Meal Periods Not Taken – 3.7% of Work Shifts; and
- Shifts Greater than 12 Hours – 2 actual Work Shifts (0.009%) during the Class Period were greater than 12 hours in length, and timecards did not show a recorded second meal period.

Further, Defendants maintained that they do not require employees to wear uniforms, that they provide all employees with company shirts, sweatshirt, hats, smocks, etc. at no cost, which employees may choose to wear if they wish to do so, and that their policies provide for expense reimbursement for cell phone and vehicle usage and that those reimbursements were documented on their wage statements. Further, uncertainty relating to Plaintiffs' potential PAGA damages played a role in the negotiation considerations. Also, the actual amount of PAGA penalty awarded by the Court is completely discretionary and are not subject to stacking under Labor Code § 2699(h)(3)(i), as amended.[2] Lastly, since only 35% of any PAGA recovery reaches the PAGA claimants (with the balance going to the state), the strength of Plaintiffs' potential PAGA claims and the potentially limited recovery was a factor considered during settlement negotiations.

25. I anticipate that should this matter not resolve against Defendants, Defendants will defend themselves vigorously. I anticipate that Defendants will challenge every aspect of the claims, including whether they violated labor laws, the commonality of the claims such that this action could be certified as a class action, and the damages claimed.

26. In light of the uncertainties of protracted litigation, the Gros Settlement Amount

[2] In granting final approval of the class action settlement in *Stuart v. RadioShack*, Judge Chen noted the following:

> Plaintiffs could arguably get more . . . because they are entitled to penalties under the PAGA, [but] it is not clear that they could get a significant additional amount because the PAGA provides that,
> [i]n an action by an aggrieved employee seeking recovery of a civil penalty available under subdivision (a) or (f), a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do so otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.
>
> *Stuart,* 2010 WL 3155645, at *6 (citing Cal. Labor Code § 2699(e)(2)).

("GSA") reflects an excellent recovery for the Class Members.

27. The proposed settlement here is fair to the Class. Since the filing of the Complaint in the lead case in August 2024, Plaintiffs' counsel have conducted a comprehensive investigation and have reviewed voluminous documentary evidence relating to Defendants' overtime, meal/rest break, expense reimbursement policies and practices. Plaintiffs' counsel has also participated in extensive informal discovery and meeting and conferring regarding negotiations. Moreover, Plaintiffs remotely attended an all-day mediation with mediator Mr. Grossman. Thus, Class Counsel negotiated the proposed Settlement with ample knowledge of the strengths and weaknesses of this case, the amounts necessary to compensate Class Members for their damages, and the benefits of the proposed Settlement under the circumstances of this case. In addition, Class Counsel and Defense counsel, are experienced class action litigation and employment attorneys, and have used their experience and expertise in fashioning a proposed Settlement that is acceptable to both parties.

28. Upon approval, Defendants will pay a non-reversionary Gross Settlement Amount ("GSA") of $495,000.00. After deductions for proposed court-approved settlement Administration Expenses Payment, Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, LWDA PAGA Payment and the Class Representative Service Payments, the remaining Net Settlement Amount ("NSA"), approximately $239,727.70. will be distributed to all Class Members who do not request exclusion. Current and former employees are not required to submit a claim form in order to receive an Individual Class Payment. Class Counsel believes the Settlement is a fair and adequate amount given the litigation risks and delays inherent in further litigation and appeals.

29. The proposed Settlement provides that Plaintiffs will request, and Defendants will not oppose, an award to Class Counsel in an amount not to exceed $173,250.00 for the Class Counsel Fees Payment (35% of the GSA), up to $33,500.00 in Class Counsel's costs ($13,500 to Lipeles Law Group, APC and $20,000 to Aegis Law Firm, PC), Class Representative Service Payments of $7,500 to each of the Class Representatives ($15,000 total) in recognition of their time, effort, and risk as Class Representatives, a PAGA penalty to the LWDA in the amount of $22,522.50 (plus $12,127.50 to the Aggrieved Employees for a total of $34,650) and approximately $11,000 in Administration

Expenses. The foregoing awards amount to $255,272.50 and Plaintiff therefore request that the Court approve a total deduction of $255,272.50 from the $495,000.00 GSA. Viewing the participation, service and risk payment as an additional cost of litigation, in combination with the allocation for attorneys' fees, expenses and costs, this total deduction of $255,272.50, is within the range of attorneys' fees, expenses and costs awarded in similar cases. *See e.g.*, *Garrido v. American Air Liquide, Inc.*, No. BC485942, BC614586, 2018 WL 2267367, **1-2 (Cal. Super. Feb. 20, 2018) (granting final approval for failure to provide meal breaks); *Manzanares v. Irvine Scientific Sales Company, Inc.*, No. BC574478, 2017 WL 4772976 *2, (Cal. Super. Apr. 20, 2017) (granting preliminary approval in rest/meal break action); *Velasco v. Knight Port Services, LLC*, No. CIVDS1513403, 2016 WL 7655334, *2, (Cal. Super. Jan. 12, 2016) (granting preliminary approval in meal/rest break action); *Lacy T v. The Oakland Raiders*, No. RG14710815, 2015 WL 13701077, *3 (Cal. Super. Mar. 3, 2015) (granting final approval in a meal/rest break action).

30. According to the information provided to me from Defendants, there are 583 potential Class Members. Thus, the average settlement share is projected to be $388.54.[3] Class members will have 60 days from the mailing of the Class Notice to request exclusion or object, thereby providing ample time to review the Class Notice without unduly delaying the settlement. The NSA shall be allocated proportionally based on each such Class Member's workweeks during the Class Period.

31. If a Class Member fails to cash the check within 180 days, his or her pro rata share of the NSA will be remitted to the California State Controller's Office, Unclaimed Property Division in the name of the Participating Class Member for who the funds are designated.

32. Those Class Members who do not request exclusion from the settlement will be bound by its terms, and will be releasing all claims against Defendants that were asserted or could have been asserted in this lawsuit, based on the facts and allegations asserted in the Operative Complaint in this lawsuit, for the period of August 13, 2020 to September 2, 2025.

33. The following factors support the approval of the incentive award requested here for

[3] $239,727.70 (NSA)/617 (putative class members) =$388.54 (average award per class member). At this time Plaintiffs are not able to ascertain the highest and lowest settlement shares. Plaintiffs will provide that information in their final approval papers.

the Class Representatives. First, the requested payment of $7,500 for each of the Class Representatives ($15,000 total) constitutes only 3.0% of the GSA. Second, the Class Representatives spent a tremendous amount of time, approximately 30 hours each, providing invaluable assistance to Class Counsel and the Class in this case, including providing factual background for the Class Complaint; providing and explaining documents corroborating their allegations to Class Counsel; reviewing the complaints and other pleadings filed with the Court by Plaintiffs and Defendants; providing crucial information at settlement negotiations to rebut Defendants' arguments; remotely attending the all-day mediation; and participating in multiple conference calls and phone calls to discuss litigation and settlement strategy. The Class Representatives have been actively involved in this litigation and have proven themselves to be invaluable resources of information throughout this litigation. Third, the requested $7,500 service payments to each of the Class Representatives falls well within the range of incentive awards typically awarded to class representatives in similar actions.

34. I believe that this proposed settlement is within the range of possible approval in light of the significant legal and factual obstacles that Plaintiffs faced, the risks and costs of further litigation, and the tangible monetary benefits to be received by Class Members.

35. I will also apply for an attorneys' fee award of $173,250.00, or 35% of the GSA of $495,000.00 and for costs up to $13,500.00 for my firm and $20,000 for Aegis Law Firm, P.C. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis. My office and my co-counsel's office, incurred substantial attorneys' fees conducting pre-filing investigation, analyzing the claims, conducting legal research, reviewing documents produced by Defendants, performing substantial data analysis of employee timekeeping data and payroll records, preparing for and attending mediation, negotiating and reviewing the Settlement Agreement, preparing this Motion for Preliminary Approval, and otherwise prosecuting the case. I also anticipate incurring significant future attorneys' fees in appearing at the hearing on this Motion for Preliminary Approval, supervising the Notice process, fielding phone calls from Class Members after the Notice has been disseminated, and preparing the necessary Final Approval motions and appearing at the Final Approval Hearing.

36. Continuing to litigate this action against Defendants will be expensive and will take a considerable amount of time, with the eventual outcome entirely uncertain and there is a substantial risk that the Plaintiffs could, especially after deductions for costs and expenses, end up with nothing.

37. I believe and assert that this settlement is a fair, adequate and reasonable settlement against Defendants, and is in the best interests of the Class Members.

38. I am the founder of Lipeles Law Group, APC ("LLG"). I opened my own law firm straight out of law school starting with just a computer. Prior to founding the firm, I managed several retail businesses, including a high-end jewelry business and full-service restaurant that employed more than 25 people. In addition, I have represented and managed professional prize fighters, working to secure boxers high profile and world championship fights. I am also fluent in Spanish. This firm has now grown into a full-service litigation law firm representing both plaintiffs and defendants with over 150 active cases, including cases in Federal and State Court. The overwhelming majority of our cases involve employment/wage and hour lawsuits. In addition, my firm is or has been counsel or co-counsel in many employment-related class action lawsuits. California courts have certified classes in cases similar to the present Class in which Plaintiff's Counsel was appointed Class Counsel. *See e.g., Canseco v. Pampanga Food Company, Inc*., Orange County Superior Court, Case No. 30-2016-00852698-CU-OE-CXC, February 13, 2019, (granting final approval in a rest break class action and approving me as adequate and competent class counsel); *Bernstein v. Alice and Olivia California Holdings, LLC., et al.*, Los Angeles Superior Court Case No. BC 661262, December 17, 2019, (granting final approval in an overtime and meal/rest break class action and approving me as adequate and competent class counsel); *Lagunas v. Impact Logistics, Inc. et al*., San Bernardino Superior Court Case No. CIVSD1815249, September 10, 2020, (granting final approval in an overtime, meal/rest break class action and approving me as adequate and competent class counsel); *Marroquin v. Food Castle, Inc*. *et al*., Los Angeles Superior Court Case No. 21STCV22582, August 16, 2023 (granting final approval in an overtime, minimum wage and rest break class action and approving me as adequate and competent class counsel); *Saavedra v. Success Valley Farms, LLC*, Ventura Superior Court Case No. 56-2021-

00556708-CU-OE-VTA, January 29, 2024 (granting preliminary approval in a wage and hour class action).

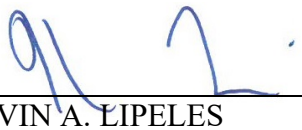
39. I received my J.D. from Loyola Law School in Los Angeles, where I served as class representative for 2 years. In addition, I served on the Dean's List, graduating in the top 30% of my class. While in law school, I served as an extern to the Loyola Law School Center for Conflict Resolution and to Los Angeles County Superior Court Judge Joseph DiLoreto in Long Beach.

40. My firm conducted an in-depth review of information concerning the total number of Class Members (617), employee handbooks, various policies and procedures, Employee List containing all non-exempt employees, timecards and wage statements for all employees on the Employee List, analysis of a 20% sample of pay periods, and meal period waivers. We drew on our extensive experience in similar cases to assess the strengths and weaknesses of Plaintiffs' case.

41. Prior to the expiration of the period of time allotted for Class Members to make objections to the settlement, Plaintiffs will file a motion and brief for fees and costs (to be heard at the same time as the Final Fairness Hearing) so that Class Members will be able to, if they elect to do so, review the fees motion prior to making objections or filing a claim. The motion and brief for fees and costs will include, *inter alia*, an itemized listing of all costs incurred in litigating this case.

42. The $173,250 Class Counsel Fees Payment (35%), up to $33,500.00 for the Class Counsel Litigation Expenses Payment, approximately $11,000.00 expense from the $495,000.00 GSA for the Administration Expenses Payment, the $34,650 LWDA PAGA Payment to the LWDA ($12,127.50 of which will go to the Aggrieved Employees) as well as $7,500 for each of the Class Representatives ($15,000 total), are within the range of attorneys' fees, litigation expenses, service payments, and administration expenses awarded in similar cases.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 16, 2025, in El Segundo, California.



KEVIN A. LIPELES

EXHIBIT A

Kevin A. Lipeles (Bar No. 244275)
kevin@kallaw.com
Thomas H. Schelly (Bar No. 217285)
thomas@kallaw.com
Jasmine Badawi (Bar No. 335433)
jasmine@kallaw.com
LIPELES LAW GROUP, APC
880 Apollo Street, Suite 336
El Segundo, CA 90245
Telephone: (310) 322-2211
Facsimile: (310) 322-2252

Attorneys for Plaintiff
WILLIAM ROSE

Samuel A. Wong (Bar No. 217104)
Kashif Haque (Bar No. 218672)
Jessica L. Campbell (Bar No. 280672)
Email: jcampbell@aegislawfirm.com
AEGIS LAW FIRM, P.C.
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

Attorneys for Plaintiff
BRENDAN FITZGERALD

Stacy L. Henderson (Bar No. 222216)
stacy@hendersonhatfield.com
HENDERSON HATFIELD
A Professional Corporation
1101 15th Street
Modesto, California 95354
Telephone: (209) 559-5003
Fax: (209) 559-5008

Attorneys for Defendants
SCARBOROUGH HOME CENTER, SCARBOROUGH LUMBER AND BUILDING SUPPLY, INC. DBA ACE HARDWARE and SCARBOROUGH TAHOE, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CRUZ

WILLIAM ROSE, an individual, on his own behalf and on behalf of all others similarly situated, Plaintiffs, vs.	**CASE NOS.: 24CV02298 (Lead Case)** **24CV02610** [Assigned to the Hon. Syda Kosofsky Cogliati – Dept. 5]

SCARBOROUGH LUMBER AND BUILDING SUPPLY, INC., DBA ACE HARDWARE, a California corporation; and DOES 1 through 100, inclusive, Defendants.	**AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE** Lead Complaint Filed: August 13, 2024 24CV02610 Complaint Filed: September 13, 2024 Trial Date: None Set
BRENDAN FITZGERALD, individually and on behalf of all others similarly situated, vs. SCARBOROUGH HOME CENTER; and DOES 1 through 20, inclusive, Defendants.	

Subject to final approval by the Court, which counsel and parties agree to pursue and recommend in good faith, Plaintiffs William Rose and Brendan Fitzgerald individually and on behalf of all employees similarly situated, on the one hand (collectively "Plaintiffs"), and Defendants Scarborough Home Center, Scarborough Lumber and Building Supply, Inc. dba Ace Hardware and Scarborough Tahoe, Inc. (collectively "Defendants") hereby agree to the following binding settlement of the related class action cases of *William Rose v. Scarbrough Lumber and Building Supply, Inc. dba Ace Hardware*, Santa Cruz County Superior Court Case No. 24CV02298 and *Brendan Fitzgerald v. Scarborough Home Center*, Santa Cruz Superior Court Case No. 24CV02610.

I. DEFINITIONS

1.1. "Actions" means the Plaintiff Rose's lawsuit alleging wage and hour violations against Defendant Scarbrough Lumber and Building Supply, Inc. dba Ace Hardware captioned *William Rose v. Scarbrough Lumber and Building Supply, Inc. dba Ace Hardware*, initiated on August 13, 2024 and pending in the Superior Court of the State of California, County of Santa Cruz and Plaintiff Fitzgerald's lawsuit alleging wage and hour violations against Defendant Scarborough Home Center captioned *Brendan Fitzgerald v. Scarborough Home Center*, initiated on September 13, 2024 and pending in the Superior Court of the State of California, County of Santa Cruz.

1.2. "Administrator" or "Phoenix" means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. "Aggrieved Employee" means all individuals whom Defendants classified as non-exempt employees and who worked for Defendants in California at any time during the PAGA Period.

1.5. "Agreement" or "Stipulation" mean, and refer to, this Amended Class Action and PAGA Settlement Agreement and Class Notice.

1.6. "Class" means all individuals whom Defendants classified as non-exempt employees and who worked for Defendants in California at any time during the Class Period.

1.7. "Class Counsel" means Kevin Lipeles, Esq., Thomas Schelly, Esq. and Jasmine Badawi, Esq. of Lipeles Law Group, APC and Samuel A. Wong, Kashif Haque, and Jessica Campbell of Aegis Law Firm, PC.

1.8. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.9. "Class Data" means Class Member identifying information in Defendants' possession including the Class Member's name, last-known mailing address, Social Security number, employee ID while employed by Defendants, and number of Class Period Workweeks and PAGA Pay Periods.

1.10. "Class Member" or "Settlement Class Member" mean a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13. "Class Period" means the period from August 13, 2020 to September 2, 2025.

1.14. "Class Representative" means the named Plaintiffs in the operative complaints in the Actions seeking Court approval to serve as a Class Representatives.

1.15. "Class Representative Service Payments" means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.

1.16. "Court" means the Superior Court of California, County of Santa Cruz.

1.17. "Scarborough Home Center", "Scarborough Lumber and Building Supply, Inc. dba Ace Hardware" and "Scarborough Tahoe, Inc.", collectively mean the named Defendants.

1.18. "Defense Counsel" means Stacy L. Henderson, Esq. of Henderson Hatfield, A Professional Corporation.

1.19. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (x) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (y) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20. "Final Approval" means the Court's order granting final approval of the Settlement.

1.21. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.22. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.23. "Gross Settlement Amount" means $495,000.00 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administrator's Expenses.

1.24. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.26. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.27. "LWDA" means the California Labor and Workforce Development Agency, the

agency entitled, under Labor Code section 2699, subd. (i).

1.28. "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.29. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.30. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.32. "PAGA Period" means the period from August 13, 2023 to September 2, 2025.

1.33. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.34. "PAGA Notice" means Plaintiffs' letters to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.35. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees ($12,127.50) and the 65% to LWDA ($22,522.50) in settlement of PAGA claims.

1.36. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.37. "Plaintiffs" means William Rose and Brendan Fitzgerald, the named plaintiffs in the Actions.

1.38. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.39. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.40. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.41. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.42. "Released Parties" means: Defendants and each Defendant's respective past, present and/or future subsidiaries, dbas, parents, divisions, related entities, joint venturers, and any other

entities that could be considered to have jointly employed the Class Members and/or Aggrieved Employees, as well as each of their respective owners, co-employers, joint employers, agents, officers, directors, stockholders, shareholders, investors, members, principals, subsidiaries, affiliates, partners, predecessors, successors, assigns, insurers, reinsurers, employees, attorneys, heirs, estates, executors, spouses, domestic partners, associates, representatives, administrators, fiduciaries, trustees, accountants, auditors, company-sponsored employee benefit plans of any nature, and all other legal entities affiliated with the foregoing.

1.43. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.44. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the date the Response Deadline has expired.

1.45. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.46. "Workweek" means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

2.1. On August 13, 2024, Plaintiff Rose commenced his action by filing a Complaint alleging causes of action against Defendant Scarborough Lumber and Building Supply, Inc. dba Ace Hardware for (1) Failure to Pay Minimum Wages Due; (2) Failure to Provide Timely Off Duty Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Maintain Records and Provide Accurate Itemized Wage Statements; (5) Failure to Pay Wages Due Upon Termination; (6) Failure to Reimburse Business Expenses; (7) Failure to Provide Uniform Maintenance Allowance; (8) Failure to Pay for All Hours Worked; (9) Failure to Allow Inspection of Employment Records; and (10) Unfair Competition. On September 13, 2024, Plaintiff Fitzgerald commenced his action by filing a Complaint alleging causes of action against Defendant Scarborough Home Center for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Reimburse Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Pay Wages Due Upon Separation of Employment; and (8) Unfair Competition. On October 17, 2024, Plaintiff Rose filed a First Amended Complaint adding a cause of action against Defendant Scarborough Lumber and Building Supply, Inc. dba Ace Hardware pursuant to the Private Attorneys General Act of 2004, Cal. Lab. Code §§2699, et seq. On or about October 20, 2025, Plaintiffs filed a consolidated Second Amended Class Action and PAGA Complaint. The Second Amended Complaint is the operative complaint in the Action (the "Operative Complaint.") Defendants adamantly deny the allegations in the Operative Complaint and Operative PAGA Notice, deny any failure to comply with the laws identified in in the Operative Complaint and Operative PAGA Notice, deny any and all liability for the causes of

action alleged and have raised various defenses to the claims. Defendants assert that they fully complied with all applicable wage and hour laws and contends that civil penalties under PAGA are not warranted. Defendants also deny that the Action is suitable for class certification. Defendants have entered into the Settlement solely for purposes of resolving this dispute to avoid costly, disruptive, and time-consuming litigation and do not admit to any wrongdoing or liability whatsoever.

2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notices.

2.3. On June 2, 2025, the Parties participated in an all-day mediation presided over by Paul Grossman which led to this Agreement to settle the Actions.

2.4. Prior to mediation and negotiating the Settlement, Plaintiffs obtained, through informal discovery the following documents: Defendants' employee handbooks, policies and procedures regarding the payment of wages, Employee List containing all non-exempt employees, timecards and wage statements for all employees on the Employee List, meal period waivers and the production of a 99.9% sampling of employees' pay periods. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc*. (1996) 48 Cal. App .4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal. App. 4th 116, 129-130 ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2.7. Defendants have represented that its two highest paid full-time employees are family members whose salary last year and currently was and is $162,802, and the 2024 bonus which each received was $50,000. If this representation is materially false, Plaintiffs may cancel this Agreement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants promise to pay $495,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay any portion of the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 5.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than $7,500.00 each (total of $15,000) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). Provided that Plaintiffs and Class Counsel are in compliance with the terms of this Agreement, Defendants will not oppose Plaintiffs' request for the Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35%, which is currently estimated to be $173,250.00 and a Class Counsel Litigation Expenses Payment of not more than $33,500.00; $13,500 to Lipeles Law Group, APC and $20,000 to Aegis Law Firm, P.C. Provided that Plaintiffs and Class Counsel are in compliance with the terms of this Agreement, Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $11,000.00 except for a showing of good cause and as approved by the Court.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. Ten percent (10%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2

Form. Ninety percent (90%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $34,650.00 to be paid from the Gross Settlement Amount, with 65% ($22,522.50) allocated to the LWDA PAGA Payment and 35% ($12,127.50) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties $34,650.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. PAGA Payments shall be treated as 100% penalties.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of their records to date, Defendants estimate that as of Mediation on June 2, 2025, there are 549 Class Members who collectively worked a total of 42,123 Workweeks, and 277 Aggrieved Employees who worked a total of 8,271 PAGA Pay Periods.

4.2. Class Data. Not later than 20 days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they

discover that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fund 50% of the Gross Settlement Amount (including the amount of any corresponding increase to the Gross Settlement Amount pursuant to the Escalator Clause) within fifteen (15) days of Final Approval and 50% of the Gross Settlement Amount within one year after Final Approval. Defendants shall also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator within fifteen (15) days of the Court granting final approval.

4.4. Payments from the Gross Settlement Amount. Within 30 days after Defendants fully fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments. Any portion of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment not awarded to Plaintiff's Counsel and the Class Representative Service Payment not awarded to the Class Representatives will be available for distribution to Settlement Class Members as part of the Net Settlement Amount.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are retuned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not

take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks, plus any interest that has accrued, to the *cy pres* recipient CASA of Santa Cruz County, unless the Court orders otherwise, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384.

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiffs' Release. Plaintiffs, on behalf of themselves and each of their respective former, present and future spouses, domestic partners, children, estates, trusts, representatives, agents, attorneys, heirs, administrators, executors, successors and assigns generally release and discharge the Released Parties from all claims, causes of action, transactions, occurrences, obligations, liabilities and damages of every kind and nature, including punitive damages, to the fullest extent permitted by law, which arise out of or relate to each individual Plaintiffs' employment with Defendants, or any of them, that occurred through the date of execution of this Agreement, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint; (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and/or Plaintiffs' PAGA Notices through the Effective Date, as further described in the Individual Settlement Agreement and General Release executed by each Plaintiff concurrently herewith (collectively, "Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims that as a matter of law cannot be waived, including, but not limited to, for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period and as to Plaintiff Rose, to claims asserted in the case *William Rose v. Scarborough Lumber and Building Supply, Inc. dba Ace Hardware*, Santa Cruz County Superior Court Case No. 24CV02876 (the "Individual Rose Action"). The release of claims asserted in the Individual Rose Action shall require a separate agreement. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former, present and future spouses, domestic partners, children, estates, trusts, representatives, agents, attorneys, heirs, administrators, executors, successors and assigns, release Released Parties from all claims, demands, rights, liabilities, causes of action, injuries, grievances, obligations, losses, damages, penalties, interest, fines, debts, liens, liabilities, attorneys' fees, consultant's fees, expert's fees, accountant's fees, costs and any other form of relief or remedy in law or equity, of every nature and description whatsoever, known or unknown, foreseen or unforeseen, anticipated or unanticipated, suspected or unsuspected, arising from or otherwise reasonably related to the claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, whether arising under State or other applicable law, and that occurred or accrued at any time during the Class Period, including, any and all claims involving any alleged: (a) failure to pay premium overtime wages due; (b) failure to pay minimum wages; (c) failure to provide timely off duty meal periods; (d) failure to provide rest periods; (e) failure to maintain records and provide accurate itemized wage statements; (f) failure to pay wages due upon termination; (g) failure to reimburse business expenses; (h) failure to provide uniform maintenance allowance; (i) failure to pay for all hours worked; (j) failure to allow inspection of employment records; and (k) unfair competition. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. Release by Aggrieved Employees: All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former, present and future spouses, domestic partners, children, estates, trusts, representatives, agents, attorneys, heirs, administrators, executors, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and/or the PAGA Notice arising during the PAGA Period, including, any and all claims involving any alleged (a) failure to pay premium overtime wages due; (b) failure to provide minimum wages; (c) failure to provide timely off duty meal periods; (d) failure to provide rest periods; (e) failure to maintain records and provide accurate itemized wage statements; (f) failure to pay wages due upon termination; (g) failure to reimburse business expenses; (h) failure to provide uniform maintenance allowance; (i) failure to pay for all hours worked; and (j) failure to allow inspection of employment records.

6. **MOTION FOR PRELIMINARY APPROVAL.** Class Counsel shall prepare and file a Motion for Preliminary Approval of the Settlement. Class Counsel will provide Defense Counsel with the opportunity to review and comment on all drafts of all pleadings, declarations and proposed orders to be filed in connection with the Motion for Preliminary Approval at least 10 calendar days before filing such Motion with the Court. Class Counsel and Defense Counsel shall work together in good faith to agree upon the content of the Motion for Preliminary Approval. Defendant shall not oppose Plaintiff's Motion for Preliminary Approval to the extent it is consistent with the terms and conditions of this Agreement and the content has been approved by Defendant prior to filing the Motion for Preliminary Approval.

7. **SETTLEMENT ADMINISTRATION.**

7.1. Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions ("Phoenix") to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall use the Employer Identification Number(s) identified by Defendants for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4. Notice to Class Members.

7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than 3 business days after the Administrator's receipt of any

Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send the Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defendants, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payments.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Litigation Expenses Payment and Class Representative Service Payments, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from the Settlement submitted (whether valid or invalid).

7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5. Administrator's Declaration. Not later than 21 court days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the

number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE. Based on its records, Defendants estimate that, as of the date of Mediation, (1) there are 549 Class Members and 42,123 Total Workweeks during the Class period and (2) there were 277 Aggrieved Employees who worked 8,271 Pay Periods during the PAGA Period.

8.1. Escalator Clause: Defendants represent that as of Mediation on June 2, 2025, there were approximately 42,123 workweeks worked by Class Members from August 12, 2020 through the date of mediation. If the number of Workweeks worked by Class Members from August 12, 2020 through June 2, 2025 is in fact more than 10% greater than this figure (i.e., 4,212 additional Workweeks for a total of 46,335 Workweeks), Defendants have the option to either increase the Gross Settlement Amount on a proportional basis (i.e., if there were in fact 9% more Workweeks worked by Class Members during the Class Period until the date of mediation than this estimate, the Gross Settlement Amount would be unchanged, but if there were in fact 11% more Workweeks worked by Class Members during the Class Period until the date of mediation than this estimate, Defendants would increase the Gross Settlement Amount by 11%), or end the release date earlier than September 2, 2025, as determined in Defendant's sole discretion.

9. DEFENDANTS' RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement

under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Class Counsel will provide Defense Counsel with the opportunity to review and comment on all drafts of all pleadings, declarations and proposed orders to be filed in connection with the Motion for Final Approval at least 10 calendar days before filing such motion with the Court. Class Counsel and Defense Counsel shall work together in good faith to agree upon the content of the Motion for Final Approval. Defendant shall not oppose Plaintiff's Motion for Final Approval to the extent it is consistent with the terms and conditions of this Agreement and the content has been approved by Defendant prior to filing the Motion for Final Approval.

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration

Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Defendant and their respective Counsel, recognize, accept and agree that the Parties to this Agreement desire that the terms of this Agreement, the fact that the Agreement has been entered into, the terms of the Settlement embodied in this Agreement, the disposition of the Action, the Action, and all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence obtained during the course of the Action. Accordingly, Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree that, they shall not initiate any press release or publication via any form of media, and, if contacted by press or the media, their response shall be limited to a recitation of the facts, including Defendants' denial of liability for the allegations in the Operative Complaint and Operative PAGA Letter at any time, and until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense Counsel

separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure

to the benefit of, the successors of each of the Parties.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibit will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.

12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of the Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of the Class Data.

12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs: Kevin A. Lipeles, Esq.
Thomas H. Schelly, Esq.
Jasmine Badawi, Esq.
LIPELES LAW GROUP, APC
880 Apollo Street, Suite 336
El Segundo, California 90245

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
AEGIS LAW FIRM, P.C.
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

To Defendants: Stacy L. Henderson
HENDERSON HATFIELD
A Professional Corporation
1101 15th Street
Modesto, California 95354

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement, shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. Upon the signing of this Agreement, the Parties further agree that that pursuant to CCP section 583.330, to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

12.20 Full and Complete Defense. This Agreement may be pleaded by any Released Party as a full and complete defense to and may be used as the basis for an injunction against, any action, suit, or other proceeding that has been or may be instituted, prosecuted, or attempted, asserting any Released Class Claim and/or Released PAGA Claim.

DATED: 12/1/ ___, 2025

PLANITIFF AND CLASS REPRESENTATIVE:

William Rose (Dec 2, 2025 12:54:31 PST)

WILLIAM ROSE

DATED: ____ ___, 2025

PLANITIFF AND CLASS REPRESENTATIVE:

BRENDAN FITZGERALD

]

DATED: ___ ___, 2025

DEFENDANTS:

SCARBOROUGH LUMBER AND BUILDING SUPPLY, INC. DBA ACE HARDWARE

SCARBOROUGH HOME CENTER

SCARBOROUGH TAHOE, INC.

APPROVED AS TO FORM:

DATED: October 24 2025

CLASS COUNSEL:
LIPELES LAW GROUP, APC

By: Kevin A. Lipeles
Thomas H. Schelly
Jasmine Badawi
Attorneys for Plaintiffs

APPROVED AS TO FORM:

DATED: ___ __, 2025

CLASS COUNSEL:
AEGIS LAW FIRM, PC

By: Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Attorneys for Plaintiffs

Docusign Envelope ID: 71EC298A-239C-49E4-8642-1BFA8A69F803

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
AEGIS LAW FIRM, P.C.
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

To Defendants: Stacy L. Henderson
HENDERSON HATFIELD
A Professional Corporation
1101 15th Street
Modesto, California 95354

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement, shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. Upon the signing of this Agreement, the Parties further agree that that pursuant to CCP section 583.330, to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

12.20 Full and Complete Defense. This Agreement may be pleaded by any Released Party as a full and complete defense to and may be used as the basis for an injunction against, any action, suit, or other proceeding that has been or may be instituted, prosecuted, or attempted, asserting any Released Class Claim and/or Released PAGA Claim.

DATED: ____ ___, 2025

PLANITIFF AND CLASS REPRESENTATIVE:

WILLIAM ROSE

DATED: 12/5/2025 | 12:31 PM PST ____ ___, 2025

PLANITIFF AND CLASS REPRESENTATIVE:

Signed by:
BF
4BC370301FF2420...

BRENDAN FITZGERALD

]

Docusign Envelope ID: 71EC298A-239C-49E4-8642-1BFA8A69F803

DATED: ___ ___, 2025

DEFENDANTS:

SCARBOROUGH LUMBER AND BUILDING SUPPLY, INC. DBA ACE HARDWARE

SCARBOROUGH HOME CENTER

SCARBOROUGH TAHOE, INC.

APPROVED AS TO FORM:

DATED: ___ __, 2025

CLASS COUNSEL:
LIPELES LAW GROUP, APC

By: Kevin A. Lipeles
Thomas H. Schelly
Jasmine Badawi
Attorneys for Plaintiffs

APPROVED AS TO FORM:

DATED: Dec 5, 2025

CLASS COUNSEL:
AEGIS LAW FIRM, PC

By: Jessica Campbell
Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Attorneys for Plaintiffs

DATED: ___ ___, 2025

DEFENDANTS:

SCARBOROUGH LUMBER AND BUILDING SUPPLY, INC. DBA ACE HARDWARE

SCARBOROUGH HOME CENTER

SCARBOROUGH TAHOE, INC.

APPROVED AS TO FORM:

DATED: October 24 2025

CLASS COUNSEL:
LIPELES LAW GROUP, APC

By: Kevin A. Lipeles
Thomas H. Schelly
Jasmine Badawi
Attorneys for Plaintiffs

APPROVED AS TO FORM:

DATED: ___ __, 2025

CLASS COUNSEL:
AEGIS LAW FIRM, PC

By: Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Attorneys for Plaintiffs

DATED: 12/9/2025

COUNSEL FOR DEFENDANTS:
HENDERSON HATFIELD,
A Professional Corporation

By: Stacy L. Henderson
Attorneys for Defendants
SCARBOROUGH LUMBER AND BUILDING SUPPLY, INC., DBA ACE HARDWARE,
SCARBOROUGH HOME CENTER,
and SCARBOROUGH TAHOE, INC.

Exhibit A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

William Rose v. Scarborough Lumber and Building Supply, Inc. dba Ace Hardware,
Santa Cruz County Superior Court Case No. 24CV02298 (Lead Case)
and
Brendan Fitzgerald v. Scarborough Home Center,
Santa Cruz County Superior Court Case No. 24CV02610

The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from employee class action lawsuits ("***Actions***") against Scarborough Building and Lumber Supply, Inc. dba Ace Hardware, a California corporation, Scarborough Home Center, a California corporation and Scarborough Tahoe, Inc., a California corporation (collectively "***Defendants***") for alleged wage and hour violations. The Actions were filed by former employees of Defendants, William Rose and Brendan Fitzgerald ("***Plaintiffs***") and seek payment for (1) failure to pay overtime (Cal. Lab. Code §§ 510, 1198; IWC Wage Order No. 7); (2) failure to pay minimum wages (Cal. Lab. Code §§ 1194, 1194.2, 1197, 1198); IWC Wage Order No. 7); (3) failure to provide timely off-duty meal periods (Cal. Lab. Code §§ 226.7, 512; IWC Wage Order No. 7); (4) failure to provide rest periods (Cal. Lab. Code §§ 226.7; IWC Wage Order No. 7); (5) failure to maintain records and provide accurate itemized wage statements (Cal. Lab. Code § 226); (6) failure to pay wages due upon termination (Cal. Lab. Code §§ 201–203); (7) failure to reimburse business expenses (Cal. Lab. Code § 2802); (8) failure to provide uniform maintenance allowance (Cal. Lab. Code § 2802); (9) failure to pay for all hours worked (Cal. Lab. Code § 204; IWC Wage Order No. 7); (10) failure to allow inspection of employment records (Cal. Lab. Code § 1198.5; IWC Wage Order No. 7); (11) violation of Business and Professions Code §§17200 et seq. for a class of hourly employees ("***Class Members***") who worked for Defendants during the Class Period (August 13, 2020 through September 2, 2025); and (b) penalties under the California Private Attorneys General Act ("***PAGA***") for all hourly employees who worked for Defendants during the PAGA Period (August 13, 2023 through September 2, 2025) ("***Aggrieved Employees***").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("***LWDA***").

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be $ [insert pro-rata share of class payment] (less withholding) and your Individual PAGA Payment is estimated to be $ [insert pro-rata share of PAGA payment]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants' records, you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendants' records showing that **you worked [insert number] workweeks** during the Class Period and **you worked [insert number] workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you

act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("***Class Counsel***"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing**. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.

(2) **Opt-Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement, that is, Released Claims (defined below).
You Can Opt Out of the Class Settlement but not the PAGA Settlement **The Opt-Out Deadline is [insert date]**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but	All Class Members who do not opt-out (***"Participating Class Members"***) can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will

not the PAGA Settlement. **Written Objections must be submitted by [inset date].**	be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [insert date] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on **[insert date]**. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods. **Written Challenges Must be Submitted by [insert date].**	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by **[insert date]**. See Section 4 of this Notice.

1. WHAT ARE THE ACTIONS ABOUT?

Plaintiffs are former employees of Defendants. The Actions accuse Defendants of violating California labor laws by failing to pay overtime, failing to pay minimum wages, failing to pay wages due upon termination, failing to reimburse business expenses, failing to pay uniform expenses, failing to pay for all hours worked; and failing to provide meal periods, rest periods, and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("***PAGA***"). Plaintiffs are represented by attorneys in the Actions: Kevin A. Lipeles, Thomas H. Schelly and Jasmine Badawi, of Lipeles Law Group, APC and Samuel A. Wong, Kashif Haque and Jessica L. Campbell of Aegis Law Firm, P.C. ("***Class Counsel***").

Defendants adamantly deny the allegations in the Operative Complaint and Operative PAGA Notice, deny any failure to comply with the laws identified in in the Operative Complaint and Operative PAGA Notice, deny any and all liability for the causes of action alleged and have raised various defenses to the claims. Defendants assert that they fully complied with all applicable wage and hour laws and contend that civil penalties under PAGA are not warranted. Defendants also deny that the Action is suitable for class certification. Defendants have entered into the Settlement solely for purposes of resolving this dispute to avoid costly, disruptive, and time-consuming litigation and do not admit to any wrongdoing or liability whatsoever.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiffs is correct on the merits. In

the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve the Actions by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("***Agreement***") and agreeing to jointly ask the Court to enter a judgment ending the Actions and enforcing the Agreement, Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay $495,000.00 as the Gross Settlement Amount ("***Gross Settlement***"). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("***LWDA***"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement as follows: within fifteen (15) days of the Court granting the motion for final approval, Defendants shall deposit 50% of the Gross Settlement (including any increase to the Gross Settlement pursuant to the Escalator Clause) and the employer's side of payroll taxes on the portion allocated as wages with the Administrator. The other 50% of the Gross Settlement Fund will be deposited by Defendants within one year of the first payment by Defendants. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

   A. Up to $173,250.00 (35% of the Gross Settlement) to Class Counsel for attorneys' fees and up to $33,500.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Actions without payment.

   B. Up to $11,000.00 to the Administrator for services administering the Settlement.

   C. Up to $34,650.00 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

   D. Up to $7,500 ($15,000 total) to each of the named plaintiffs William Rose and Brendan Fitzgerald for service to the Actions.

   Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks and PAGA Pay Periods.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("***Wage Portion***") and 90% to interest and penalties ("***Non-Wage Portion***"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes they owe on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

   Although Plaintiffs and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [insert date], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [insert date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

   You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Actions.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, Phoenix Class Action

Administration Solutions (the "***Administrator***"), to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 ("How Can I Get More Information?") of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Actions and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former, present and future spouses, domestic partners, estates, trusts, representatives, agents, attorneys, heirs, administrators, executors, successors and assigns, release Released Parties from (i) all claims, demands, rights, liabilities, causes of action, injuries, grievances, obligations, losses, damages, penalties, interest, fines, debts, liens, liabilities, attorneys' fees, consultant's fees, expert's fees, accountant's fees, costs and any other form of relief or remedy in law or equity, of every nature and description whatsoever, known or unknown, foreseen or unforeseen, anticipated or unanticipated, suspected or unsuspected, arising from or otherwise reasonably related to the claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint that occurred or accrued at any time during the Class Period, including, any and all claims involving any alleged: (a) failure to pay premium overtime wages due; (b) failure to pay minimum wages; (c) failure to provide timely off duty meal periods; (d) failure to provide rest periods; (e) failure to maintain records and provide accurate itemized wage statements; (f) failure to pay wages due upon termination; (g) failure to reimburse business expenses; (h) failure to provide uniform maintenance allowance; (i) failure to pay for all hours worked; (j) failure to allow inspection of employment records; and (k) unfair competition.

Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Actions and resolved by this Settlement. The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release and discharge, on behalf of themselves and their respective former, present

and future, spouses, domestic partners, children, estates, trusts, representatives, agents, attorneys, heirs, administrators, executors, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, the PAGA Notice, which arose during the PAGA Period, including any and all PAGA claims for 1) failure to pay overtime (Cal. Lab. Code §§ 510, 1198; IWC Wage Order No. 7); (2) failure to pay minimum wages(Cal. Lab. Code §§ 1194, 1194.2, 1197, 1198); IWC Wage Order No. 7); (3) failure to provide timely off-duty meal periods (Cal. Lab. Code §§ 226.7, 512; IWC Wage Order No. 7); (4) failure to provide rest periods (Cal. Lab. Code §§ 226.7; IWC Wage Order No. 7); (5) failure to maintain records and provide accurate itemized wage statements (Cal. Lab. Code § 226); (6) failure to pay wages due upon termination (Cal. Lab. Code §§ 201–203); (7) failure to reimburse business expenses (Cal. Lab. Code § 2802); (8) failure to provide uniform maintenance allowance (Cal. Lab. Code § 2802); (9) failure to pay for all hours worked (Cal. Lab. Code § 204; IWC Wage Order No. 7); and (10) failure to allow inspection of employment records (Cal. Lab. Code § 1198.5; IWC Wage Order No. 7).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $12,127.50 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [insert date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 ("How Can I Get More Information?") of this Notice has the Administrator's contact information.

   You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class

Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Actions as *William Rose v. Scarborough Lumber and Building Supply, Inc. dba Ace Hardware* (Santa Cruz County Superior Court Case No. 24CV02298) (Lead Case) and *Brendan Fitzgerald v. Scarborough Home Center* (Santa Cruz County Superior Court Case No. 24CV02610), and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by** [insert date]**, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 days before the [insert date] Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representative Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as the Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website XXXXX or the Court's website https://www.santacruz.courts.ca.gov/

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Awards may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is** [insert date]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Actions as *William Rose v. Scarborough Lumber and Building Supply, Inc. dba Ace Hardware* (Santa Cruz County Superior Court Case No. 24CV02298) (Lead Case) and *Brendan Fitzgerald v. Scarborough Home Center* (Santa Cruz County Superior Court Case No. 24CV02610) and include your name, current address, telephone number, and approximate dates of employment for Defendants, and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell

the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [insert date] at [insert time] in Department 5 of the Santa Cruz Superior Court, located at 701 Ocean Street, Santa Cruz, CA 95060. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via Zoom (https://santacruzcourt-org.zoomgov.com/j/1615592790). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website at XXXXX beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at XXXXX. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to https://www.santacruz.courts.ca.gov/online-services/case-lookup) and entering the Lead Case Number for the Actions, Case No. 24CV02298.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

LIPELES LAW GROUP, APC
Kevin A. Lipeles, Esq. (kevin@kallaw.com)
Thomas H. Schelly, Esq. (thomas@kallaw.com)
880 Apollo Street, Suite 336
El Segundo, California 90245
Telephone: (310) 322-2211

AEGIS LAW FIRM, P.C.
Samuel A. Wong (Bar No. 217104)
Kashif Haque (Bar No. 218672)
Jessica L. Campbell (Bar No. 280672)
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

Settlement Administrator:
Phoenix Settlement Administrators
Mailing Address: P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Email: info@phoenixclassaction.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, the unclaimed funds will be transmitted to the cy pres (charitable organization recipient) CASA of Santa Cruz County, unless the Court orders otherwise.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.