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ELECTRONICALLY FILED
Superior Court of California
County of Sacramento
05/19/2026
By: S. Woltmon Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

JORGE NAREZ, individually, and on
behalf of other members of the general
public similarly situated; ABRAHAM
CHAVEZ, individually, and on behalf of
other members of the general public
similarly situated and on behalf of other
aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiffs,

vs.

HILLSIDE FOODMART, INC., a
California corporation; and DOES
1 through 100, inclusive,

Defendants.

Case No. 34-2021-00310762-CU-OE-GDS

Honorable Jill H. Talley
Department 8A

CLASS ACTION

**DECLARATION OF RYAN SLINGER IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: June 12, 2026
Time: 9:00 a.m.
Department: 8A

Complaint Filed: November 3, 2021
FAC Filed: October 6, 2025
Trial Date: None Set

DECLARATION OF RYAN SLINGER

I, Ryan Slinger, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Jorge Narez (“Plaintiff Narez”) and Plaintiff Abraham Chavez (“Plaintiff Chavez”) (together, “Plaintiffs”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

PROCEDURAL HISTORY

2. On November 3, 2021, Plaintiff Narez filed the Class Action Complaint for Damages in the Superior Court for the County of Sacramento, thereby commencing the above-captioned lawsuit (“Action”).

3. On May 21, 2024, Plaintiff Chavez provided notice by electronic upload to the California Labor and Workforce Development Agency (“LWDA”) and written notice by certified mail to Defendant of the specific provisions of the California Labor Code that were alleged to be violated (“Chavez PAGA Notice”). Marked and attached hereto as “**EXHIBIT 1**” is a true and correct copy of the Chavez PAGA Notice.

4. On October 6, 2025 Plaintiff Narez filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“Operative Complaint”), thereby adding Plaintiff Chavez as an additional plaintiff and adding a claim for civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698, et seq. (“PAGA”) on behalf of the State of California in connection with Plaintiff Chavez and aggrieved employees.

THE PROPOSED SETTLEMENT

5. Marked and attached hereto as “**EXHIBIT 2**” is a true and correct copy of the Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement,” or “Settlement Agreement”) entered into by and between Plaintiffs, individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendant Hillside Foodmart, Inc., on the other hand (collectively, the “Parties”). The Parties and their counsel have

1 approved the proposed Notice of Class Action Settlement (“Class Notice”), which is attached to the
2 Settlement Agreement as “Exhibit B” and respectfully request that the Court approve it as well.

3 6. The Settlement provides for a Maximum Settlement Amount of \$895,000.00 to be
4 paid in four installments on a non-reversionary basis. The Net Settlement Amount is the Maximum
5 Settlement Amount less the following amounts, subject to approval by the Court: Attorneys’ Fees
6 of up to \$313,250.00 (if the Maximum Settlement Amount remains \$895,000.00) and expenses and
7 costs not to exceed \$30,000.00 to Class Counsel (together, “Attorneys’ Fees and Costs”),
8 Enhancement Payments to Plaintiffs of \$7,500.00 each (\$15,000.00 total), Settlement
9 Administration Costs to the Settlement Administrator not to exceed \$15,000.00, and the PAGA
10 Amount of \$135,000.00. Assuming that the amounts allocated under the Settlement toward these
11 payments are awarded by the Court, the Net Settlement Amount that will be available for distribution
12 to Settlement Class Members is currently \$386,750.00. Additionally, 25% of the PAGA Amount,
13 which is \$33,750.00 out of \$135,000.00, will be distributed to the PAGA Employees, for their
14 respective portion of the PAGA Amount (“PAGA Employee Amount”). The Maximum Settlement
15 Amount will be fully distributed in accordance with the terms of the Settlement and there is no
16 reversion to Defendant.

17 7. The Settlement Agreement provides for Class Counsel to apply for attorneys’ fees in
18 an amount of up to 35% of the Maximum Settlement Amount (i.e., \$313,250.00, if the Maximum
19 Settlement Amount remains \$895,000.00) and expenses and costs of not more than \$30,000.00,
20 which will be paid out of the Maximum Settlement Amount, subject to approval by the Court. It
21 should be noted that Class Counsel has borne all of the risks and costs of litigation and will not
22 receive any compensation until recovery is obtained. A description of the qualifications of Class
23 Counsel, the work performed by Class Counsel, and the results achieved by Class Counsel in this
24 matter can be found in paragraphs 15 through 24, *infra*.

25 8. The Settlement Agreement provides for payment of up to \$7,500.00 to each Plaintiff
26 as an Enhancement Payment (\$15,000 total), to be paid out of the Maximum Settlement Amount
27 subject to approval by the Court. Plaintiffs spent considerable time and effort to produce relevant
28 documents and past employment records and to provide the facts and evidence necessary to attempt

1 to prove the allegations. Plaintiffs were available whenever Class Counsel needed them and actively
2 tried to obtain information that would benefit the Class. Accordingly, it is appropriate and just for
3 Plaintiffs to receive Enhancement Payments, in addition to their individual settlement payments, for
4 their services on behalf of the Class, PAGA Employees, and State of California.

5 9. The Parties have agreed to retain ILYM Group, Inc., (“Settlement Administrator”) to
6 handle the notice and settlement administration process. The Parties respectfully request that the
7 Court appoint ILYM Group, Inc. to handle these procedures and serve as the Settlement
8 Administrator. Defendant will provide ILYM Group, Inc. with the Class List, and the Settlement
9 Administrator will calculate each Class Member’s estimated share of the Net Settlement Amount
10 (“Individual Settlement Share”) and each PAGA Employee’s estimated *pro rata* share of the PAGA
11 Employee Amount (“Individual PAGA Payment”). The Settlement Administrator will be
12 responsible for printing, distributing, and tracking Class Notices and other documents for the
13 Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-
14 2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing
15 necessary reports and declarations, transmitting funds representing uncashed checks after the void
16 date to Compassion International (“Proposed *Cy Pres* Recipient”) and other duties and
17 responsibilities set forth to process the Settlement, and as requested by the Parties. Settlement
18 Administration Costs are currently estimated not to exceed \$15,000.00 and will be paid out of the
19 Maximum Settlement Amount, subject to approval of the Court.

20 10. Under the Settlement Agreement, Defendant is responsible for any employer-side tax
21 obligations associated with the Maximum Settlement Amount and will deposit that amount into the
22 settlement fund in addition to the Maximum Settlement Amount. Each Settlement Class Member’s
23 Individual Settlement Share will be allocated 10% to wages and 90% to penalties, interest, and non-
24 wage damages. The Settlement Administrator will withhold the employee’s share of taxes and
25 withholdings with respect to the wages portion of the Individual Settlement Shares.

26 **CONDITIONAL CERTIFICATION OF THE PROPOSED CLASS IS APPROPRIATE**

27 11. **Ascertainability:** The proposed Class is defined as all current and former non-
28 exempt or hourly-paid employees who were employed by Defendant in California at any time during

1 the Class Period, which is November 3, 2017 through May 23, 2024.

2 12. **Numerosity:** Based on data provided by Defendant, the Class is estimated to be
3 approximately 686 individuals who worked an estimated total of 40,536 workweeks.

4 13. **Commonality:** Based on investigation and information discovered, Class Counsel
5 believes that there is sufficient evidence to support the allegations made in the lawsuit, including the
6 allegations that Defendant, with respect to Plaintiffs, Class Members, and PAGA Employees, *inter*
7 *alia*, failed to properly pay overtime and minimum wages and associated premium pay, failed to
8 provide compliant meal and rest periods and to pay associated premium pay, failed to timely pay
9 wages during employment and upon termination of employment, failed to provide compliant wage
10 statements, failed to maintain requisite payroll records, and failed to reimburse necessary business
11 expenses, and thereby engaged in unfair business practices and conduct giving rise to civil penalties
12 recoverable under the Private Attorneys General Act of 2004 (California Labor Code sections 2698,
13 *et seq.*). Plaintiffs also asserted that Class Members were expected to perform similar job duties and
14 were subject to the same or similar operations and employment policies, practices, and procedures.
15 Additionally, Plaintiffs asserted that Defendant's recordkeeping practices with respect to Plaintiffs,
16 Class Members, and PAGA Employees were substantially the same during the time period at issue.
17 As a result of said alleged uniform practices, Plaintiffs claim that the Class Members were not paid
18 all of the compensation that was owed to them by Defendant. Thus, in Class Counsel's view, it is
19 clear that the outcome of this litigation would be determined by Defendant's uniform operations and
20 employment practices, policies, and procedures that Plaintiffs allege applied across its non-exempt
21 or hourly-paid employees in California during the relevant time period.

22 14. **Adequacy and Typicality:** Plaintiffs undertook the responsibilities of representing
23 a class action against their former employer. Plaintiffs spent considerable time and effort to produce
24 relevant documents and past employment records and to provide the facts and evidence necessary to
25 attempt to prove the allegations. Plaintiffs were available whenever Class Counsel needed them and
26 actively tried to obtain information that would benefit the Class. Plaintiffs have no interests that are
27 adverse to the Class. Plaintiffs were employed by Defendant during the Class Period and subject to
28 the same alleged violations and the same policies, practices, and procedures. Plaintiffs took on the

1 challenge and risk of commencing and maintaining this action, and they have not yet received any
2 monetary benefit for their service to date. Plaintiffs put their own interests aside and brought a
3 publicly filed lawsuit against an employer not just for their own benefit, but, instead, on behalf of
4 other hourly-paid employees and the State of California.

5 **EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC**

6 15. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the
7 prosecution of consumer and employment class actions, involving wage-and-hour claims, race
8 discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is
9 attorney of record in over a dozen employment-related putative class actions in both state and federal
10 courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on
11 litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative
12 actions. The firm has successfully litigated cases involving the executive, administrative, and other
13 overtime exemptions to the State of California and federal overtime compensation requirements.
14 During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has
15 recovered millions of dollars on behalf of thousands of individuals in California. Below is a summary
16 of the experience and qualifications of the attorneys at Lawyers *for* Justice, PC who most recently
17 and primarily have been responsible for the representation of Plaintiff in connection with the
18 resolution of above-captioned matter. Additional attorney and non-attorney staff have also worked
19 on the above-captioned matter.

20 16. Edwin Aiwarzian is a Managing Member and Shareholder of Lawyers *for* Justice, PC.
21 He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a
22 Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive
23 formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution
24 as part of its Masters in Dispute Resolution degree program. In addition, he has previously served
25 as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained
26 a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000,
27 he studied Legal Writing at Harvard University. From approximately September 2002 to
28 approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane

1 Wardlaw of the United States Court of Appeals for the Ninth Circuit. From approximately June 2002
2 to approximately August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of
3 the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained
4 a license to practice law from the California State Bar. Since in or around October of 2008, through
5 his work at Lawyers *for* Justice, PC, he has almost exclusively focused on the prosecution of
6 consumer and employment class actions. While employed by Lawyers *for* Justice PC, he has argued
7 over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions,
8 prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-
9 five (175) mediations. Together with other attorneys at the firm, and in many cases in conjunction
10 with co-counsel, he has successfully litigated cases involving the executive, administrative, and
11 other overtime exemptions to the State of California and federal overtime compensation
12 requirements. Under his supervision, Lawyers for Justice, PC has successfully obtained class
13 certification by contested motion practice in approximately fifteen (15) cases in the last decade and
14 litigated over 1,000 class action or representative action cases.

15 17. Arby Aiwarzian is a Member and Shareholder of Lawyers *for* Justice, PC. He received
16 his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum
17 laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From
18 approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable
19 Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From
20 approximately August 2008 to approximately December 2008 he served as a Judicial Extern to the
21 Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit. He
22 was admitted to practice law in California in 2010. He is admitted to practice before all courts of the
23 State of California and all United States District Courts in the State of California. He has worked on
24 many wage-and-hour class action and representative action cases, taking the lead in taking and
25 defending depositions, arguing motions, and attending mediations. He has played an integral role in
26 preparing matters for class certification, including and not limited to, successful certification of a
27 class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No. BC424012),
28 *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No. BC478769), and

1 *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No. RG13680477). He has
2 worked on over one hundred (100) class action or representative action cases which have resulted in
3 settlement, including and not limited to those listed in paragraph 7 herein.

4 18. Joanna Ghosh is a Managing Member of Lawyers for Justice, PC. She received a
5 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science
6 degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown
7 University Law Center in 2010. She is admitted to practice in California (since 2010) and in New
8 York (since 2013), and she is admitted to practice in all U.S. District Courts in California, the U.S.
9 Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken
10 and defended dozens of depositions and successfully handled motion practice in class action cases
11 regarding discovery (including and not limited to, regarding class contact information), class
12 certification (both contested class certification and stipulated class certification), arbitration
13 agreements, coordination, and intervention. She has successfully handled briefing and oral argument
14 on appeal and obtained notable decisions regarding the Private Attorneys General Act and employer
15 efforts to compel arbitration, e.g., *Betancourt v. Prudential Overall Supply*, 9 Cal.App.5th 439 (Cal.
16 Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and
17 *ZB, N.A. v. Superior Court*, 8 Cal.5th 175 (2019). She has significant experience with class actions,
18 including and not limited to working on cases to obtain class certification through contested motion
19 practice and working on cases in the post-certification stage (e.g., post-certification discovery,
20 appeal, statistical sampling and pilot study, and trial preparation in conjunction with co-counsel in a
21 case involving a certified class consisting of approximately 2,600 individuals). She also has
22 extensive experience with class action and/or representative action settlements, and she has handled
23 this process in over three hundred (300) cases. Under her, Edwin Aiwazian and Arby Aiwazian,
24 Lawyers for Justice, PC has handled the class certification and court approval process for hundreds
25 of class action and/or representative action matters that have successfully resolved. She is a member
26 of the California Employment Lawyers Association and, on several occasions, she has been a
27 speaker regarding topics in wage and hour law at the organization's continuing legal education
28 events.

1 19. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor of Arts degree
2 from the University of Michigan in 2020, and I earned my Juris Doctor degree from Loyola Law
3 School in 2023. I was admitted to practice law in California in 2023. I am admitted to practice before
4 all courts of the State of California. I have worked on many wage-and-hour class action and PAGA
5 representative cases, and my work on these cases has included preparing pleadings and motions,
6 making court appearances, and drafting and finalizing settlement agreements.

7 **THE SETTLEMENT AND SUMMARY OF WORKED PERFORMED**

8 20. The effectiveness of Lawyers for Justice, PC (“Class Counsel”) in prosecuting this
9 matter has translated into tangible monetary benefits for the Class Members in the following
10 respects: (1) Class Members recover over a reasonably short period of time as opposed to waiting
11 additional years for the same, or possibly worse, result; (2) a guaranteed result that compares
12 favorably with other similar class action settlements of this type given the strengths and weaknesses
13 of the case; and (3) significant savings in Class Counsel’s fees and/or costs that would have only
14 increased significantly had the case progressed through certification, trial, and/or appeals.

15 21. Class Counsel has litigated the matter for over four (4) years and was actively
16 preparing the matters for class certification and trial. The Parties have engaged in extensive
17 settlement negotiations and participated in a mediation conducted by the Honorable Raul A. Ramirez
18 (Ret.), a well-respected mediator experienced in mediating complex labor and employment matters.
19 In the course of the litigation and in connection with the mediation and settlement discussions, the
20 Parties exchanged extensive information and engaged in discussions regarding their evaluations of
21 the case and various aspects of the case, including but not limited to, the risks and delays of further
22 litigation, the risks to the Parties of proceeding with class certification and/or representative
23 adjudication, the law relating to off-the-clock theory, regular rate, meal and rest periods, PAGA
24 representative actions, and state wage-and-hour law and enforcement, as well as the evidence
25 produced and analyzed, and the possibility of appeals, among other things. During all settlement
26 discussions, the Parties conducted their negotiations at arm’s length in an adversarial position.
27 Arriving at a settlement that was acceptable to all Parties was not easy. Defendant and its counsel
28 felt strongly about their ability to prevail on the merits and at certification, and Plaintiffs and Class

1 Counsel believed that they would be able to obtain class certification and prevail at trial. After
2 conducting investigations, formal and informal discovery and exchange of information, extensive
3 settlement negotiations, and with the aid of the mediator's evaluation, the Parties have agreed that
4 the matter is well-suited for settlement given the legal issues relating to Plaintiffs' principal claims,
5 as well as the costs and risks to both sides that would attend further litigation. The Settlement is a
6 fair, reasonable, and adequate resolution of the Released Class Claims of Plaintiffs and Settlement
7 Class Members, and of the Released PAGA Claims of Plaintiffs, the State of California, and the
8 PAGA Employees, against the Released Parties.

9 22. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength,
10 and scope of the claims, and was preparing the actions for class certification and trial. Plaintiffs
11 conducted significant investigation and formal and informal discovery regarding the facts of the
12 case, including and not limited to, the exchange, review, and analysis of a volume of documents and
13 data obtained from Defendant, Plaintiffs, and other sources. Class Counsel propounded multiple sets
14 of formal written discovery requests onto Defendant (specifically, Form Interrogatories—General
15 (Set One), Special Interrogatories (Sets One and Two), and Requests for Production of Documents
16 (Set One), and reviewed Defendant's responses and supplemental responses thereto. Additionally,
17 Class Counsel served a notice of deposition of Defendant's Person Most Knowledgeable ("PMK")
18 designees regarding organizational structure and job duties, along with requests for production of
19 documents and reviewed Defendant's objections thereto. Also, Class Counsel reviewed Defendant's
20 Form Interrogatories—General (Set One), Form Interrogatories—Employment Law (Set One),
21 Special Interrogatories (Set One), Request for Admissions (Set One) and Request for Production of
22 Documents (Set One) and worked with Plaintiff Narez to provide responses and supplemental
23 responses thereto. Furthermore, Class Counsel reviewed Defendant's Notice of Taking Deposition
24 of Plaintiff Narez and defended the deposition of Plaintiff Narez on August 11, 2023. Class Counsel
25 also took the deposition of Julian W. Reyes on September 18, 2023. The volume of data and
26 documents that Class Counsel reviewed and analyzed included and was not limited to: Plaintiffs'
27 employment records, Class Members' time and payroll data, company policy acknowledgements,
28 Defendant's operations and employment practice, policies, and procedures, among other information

1 and documents. Class Counsel had the opportunity to interview Plaintiffs to gather facts and to
2 identify potential witnesses. Counsel for the Parties also met and conferred on numerous occasions,
3 e.g., to discuss issues relating to the pleadings, and the production of documents and data prior to
4 the mediation. Class Counsel also drafted pleadings and the mediation brief and prepared for and
5 attended court proceedings, mediation, and settlement negotiations, among other tasks.

6 23. Counsel for the Parties have also invested time researching and investigating the
7 applicable law, which is constantly evolving as it relates to certification, representative PAGA
8 claims, off-the-clock theory, regular rate, meal and rest periods, state wage-and-hour law and
9 enforcement, Plaintiffs' claims and damages, and Defendant's defenses thereto, as well as facts
10 discovered. Based on our analysis, I submit that the result achieved in this litigation is fair, adequate,
11 and reasonable.

12 24. Class Counsel is aware of the defenses and position of Defendant but believes that
13 Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs and Class
14 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,
15 and the difficulties and delays inherent in such litigation, including those involved in class
16 certification and/or representative adjudication. Plaintiffs further recognize the burdens of proof
17 necessary to establish liability for the claims asserted in the lawsuit, Defendant's defenses, and the
18 difficulties in establishing entitlement to monetary recovery. Plaintiffs and Class Counsel have also
19 considered the Parties' settlement discussions, as well as the evaluations of the mediator, who is
20 experienced and well-regarded in complex labor and employment matters.

21 25. Defendant, on the other hand, denied and continues to deny any liability and
22 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further denies that the
23 lawsuit is appropriate for class treatment or representative adjudication for any purpose other than
24 this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides have
25 also had the opportunity to interview witnesses and review documents and information relating to
26 Plaintiffs', Class Members', and PAGA Employees' employment with Defendant, and Defendant's
27 operations and employment policies, practices, and procedures. The Parties also reviewed and
28 analyzed a volume of documents and data to determine the potential value and strength of the claims.

1 The available information enabled Class Counsel to assess and value the class and PAGA claims
2 and prepare violation, damages, and penalties analyses models. Accordingly, the Parties have
3 conducted adequate investigation and discovery to be sufficiently informed of the nature and extent
4 of the Class Members' claims, and to enable both sides to fully evaluate the Settlement for its
5 fairness, adequacy, and reasonableness. The Settlement takes into account the strengths and
6 weaknesses of each side's position and the uncertainty of how the case might have concluded at
7 certification, trial, and/or appeals.

8 **ESTIMATE OF THE VALUE OF THE CLAIMS**

9 26. Plaintiffs' action alleges that Defendant has violated the California Labor Code and
10 Industrial Welfare Commission Wage Orders by engaging in a uniform policy and systematic
11 scheme of wage abuse against Plaintiffs and the putative class members, including inter alia, failing
12 to properly compensate overtime and minimum wages, failing to provide compliant meal and rest
13 periods and associated premium pay, failing to timely pay wages during employment, failing to
14 timely pay wages upon termination and associated waiting-time penalties, failing to provide
15 compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse
16 necessary business expenses. Plaintiffs further contend that Defendant's aforementioned conduct
17 constitutes unfair business practices (under the California Business and Professions Code ("UCL"))
18 and gives rise to civil penalties recoverable under PAGA.

19 27. Based on data provided by Defendant and extrapolated by Plaintiffs, the total number
20 of putative class members during the period from November 3, 2017 through May 23, 2024.
21 ("relevant time period") was estimated to be approximately six hundred eighty-six (686) individuals
22 who worked an estimated total of 40,536 workweeks with an average hourly rate of pay of fourteen
23 dollars and thirty-seven cents (\$14.37).

24 28. Plaintiffs contended that Defendant required putative class members to perform work
25 before clocking-in and after clocking-out of their scheduled shifts and during meal and rest periods.
26 Plaintiffs contended that Defendant discouraged the recordation of overtime hours and required
27 putative class members to perform work off-the-clock. Plaintiffs contended that Defendant failed to
28 include non-discretionary bonuses and incentives in the calculation of the regular rate when paying

1 overtime wages. Plaintiffs also contended that meal and rest periods were regularly missed, later,
2 shortened, and/or interrupted, that putative class members were required to remain on premises
3 during rest breaks, readily available to assist with work tasks, and that Defendant failed to properly
4 pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiffs alleged that
5 Defendant intentionally and willfully failed to pay Plaintiffs and putative class members all wages
6 due to them while they were employed by Defendant, within the time period permissible under
7 California law, and that Defendant failed to pay all wages due upon termination, within the time
8 period permissible under California law, thereby triggering waiting-time penalties under California
9 Labor Code section 203. Plaintiffs contended that, based on the violations described herein, the wage
10 statements provided by Defendant and the payroll records kept by Defendant were inaccurate.
11 Finally, Plaintiffs contended that Defendant failed to reimburse Plaintiffs and the other putative class
12 members for necessary business expenses, including, but not limited to, the costs associated with the
13 purchase of black non-slip shoes and locks to secure their personal items in lockers to perform their
14 work duties.

15 29. Class Counsel considered defense arguments, e.g., that the employer's practices,
16 policies, and procedures complied with the law, that Defendant paid putative class members over
17 the California minimum wage for all hours worked, that Defendant correctly paid overtime for all
18 overtime hours worked, that no waiting-time penalties were due because waiting-time penalties only
19 arise from "willful" failure to pay wages due and owing at the time of termination or resignation,
20 that Plaintiffs and putative class members suffered no actual injury from the alleged wage statement
21 violations and that this alleged violation and the alleged recordkeeping violation are entirely
22 derivative of the other causes of action, and that a policy and practice of reimbursing employees for
23 necessary business-related expenses exists. Class Counsel also considered the likelihood of
24 Plaintiffs' success in establishing that any of provisions of the California Labor Code, on which the
25 civil penalties under PAGA and the UCL claim are predicated, were violated and that such violations
26 were injurious and/or warranted imposition of civil penalties. Class Counsel also considered that
27 trial courts have wide discretion when assessing penalties under PAGA, and that it could be
28 determined that individual liability issues predominate (e.g., due to purported variation in shifts,

1 locations, job duties, and other circumstances which could raise individualized questions of fact)
2 and could pose challenges to certification, manageability, and the merits of Plaintiffs' claims.

3 30. Class Counsel considered information, data, and documents obtained from Plaintiffs,
4 Defendant, and other sources, and created violation, damages, and penalties valuations and models
5 prior to reaching the Settlement. Based thereon, Plaintiffs calculated the potential value of the
6 claims. However, the potential value of each claim assumed an exposure based on the above-
7 captioned action having been certified and Plaintiffs having proven all elements of the claims and
8 entitlement to monetary recovery in the above-captioned action (on a class-wide and a representative
9 basis), despite risks associated with obtaining and maintaining certification and demonstrating
10 manageability, risks to establishing liability and any underlying California Labor Code and IWC
11 Wage Order violations and damages, and significant additional costs that would have to be incurred
12 in order to certify the above captioned action and establish liability, damages, and penalties amounts
13 in the cases. Plaintiffs faced the risk of the Court finding that individualized issues predominate,
14 such that the cases are not suitable for class treatment. While Class Counsel disagreed with
15 Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and
16 realities of the cases, applicable case law and regulations, the extensive time and pay records
17 produced by Defendant, the costs and expenses of further litigation and certification, and risks to
18 recovery, and applied appropriate discounts for them. Class Counsel calculated the potential and
19 realistic values of each claim as follows:

- 20 a. Failure to Pay Overtime Wages: The potential value of this claim was estimated to
21 be \$873,956.16 (40,536 workweeks x 1 hour of unpaid overtime wages x overtime
22 hourly rate of \$21.56, which is based on the average hourly rate of \$14.37). At this
23 juncture, a discount of 40% was applied to account for the risks associated with
24 obtaining and maintaining class certification (bringing the value of this claim closer
25 to \$524,373.70), a discount of 50% was applied to account for the risks associated
26 with succeeding on the merits and establishing liability (bringing the value of this
27 claim closer to \$262,186.85), and a discount of 55% was applied to account for the
28 risks associated with proving the extent of damages and obtaining an award thereof

(bringing the value of this claim closer to \$117,984.08).

- b. Failure to Pay Minimum Wages: The potential value of this claim was estimated to be \$582,502.32 (40,536 workweeks x 1 hour of unpaid minimum wages x average hourly rate of \$14.37.). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$349,501.39, a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$174,750.70), and a discount of 55% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$78,637.81).
- c. Failure to Provide Compliant Meal Periods and Associated Premiums: The potential value of this claim was estimated to be \$1,165,004.64 (40,536 workweeks x 2 meal period premiums x average hourly rate of \$14.37). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$699,002.78), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$349,501.39), and a discount of 55% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$157,275.63).
- d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential value of this claim was estimated to be \$1,165,004.64 (40,536 workweeks x 2 rest period premiums x average hourly rate of \$14.37). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$699,002.78), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$349,501.39), and

a discount of 55% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$157,275.63).

e. Failure to Timely Pay Wages During Employment: The value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

f. Failure to Timely Pay Wages After Termination (and Waiting-Time Penalties): Based on information and data provided by Defendant, it was estimated that approximately four hundred (480) putative class members had been terminated during the three-year statute of limitations (i.e., from November 3, 2018). Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties was estimated to be \$1,655,424.00 collectively (480 individuals x [30 days x hourly rate of \$14.37 x 8 hours]), or approximately \$3,448.80 per individual. At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$993,254.40), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$496,627.20), and a discount of 55% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$223,482.24).

g. Failure to Provide Compliant Wage Statements: The potential value of this claim was calculated to be \$1,114,550.00 ([465 initial violations x \$50 statutory penalty] + [10,913 subsequent violations x \$100 statutory penalty]). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$668,730.00), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$334,365.00), and a discount of 55% was applied to account for the risks associated with proving the

1 extent of damages and obtaining an award thereof (bringing the value of this claim
2 closer to \$150,464.25).

3 h. Failure to Maintain Payroll Records: Arguably, civil penalties would only be
4 recoverable by the Labor Commissioner, therefore, the value of this claim is
5 considered as a part of the valuation of the PAGA claim contained *infra*.

6 i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim
7 was estimated to be \$72,964.80 (40,536 workweeks x \$1.80 unreimbursed business
8 expenses). At this juncture, a discount of 40% was applied to account for the risks
9 associated with obtaining and maintaining class certification (bringing the value of
10 this claim closer to \$43,778.88), a discount of 50% was applied to account for the
11 risks associated with succeeding on the merits and establishing liability (bringing the
12 value of this claim closer to \$21,889.44), and a discount of 55% was applied to
13 account for the risks associated with proving the extent of damages and obtaining an
14 award thereof (bringing the value of this claim closer to \$9,850.25).

15 j. PAGA Penalties: The amount of civil penalties at issue, which the Court could
16 determine whether or not to assess and whether or not to reduce based on the facts
17 and circumstances of the case (to avoid an award that is unjust, arbitrary and
18 oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)),
19 were estimated to be approximately \$813,750.00 (465 aggrieved employees
20 estimated to have worked during one-year statutory period x \$1,750 civil penalties).
21 At this juncture, a discount of 40% was applied to account for the risks associated
22 with possible bifurcation of discovery and/or trial (bringing the value of this claim
23 closer to \$488,250.00), a discount of 45% was applied to account for the risks
24 associated with succeeding on the merits and establishing liability (bringing the value
25 of this claim closer to \$268,537.50), and a discount of 50% was applied to account
26 for the risks associated with the Court's discretion to reduce civil penalties and
27 obtaining an award of civil penalties (bringing the value of this claim closer to
28 \$134,268.75).

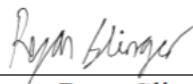
31. The foregoing discussion confirms that the amount of the Settlement is adequate in light of Plaintiffs' allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, manageability, liability, nor the ability to adjudicate and/or recover monetary relief on a class-wide or representative basis is clear-cut, which is why the Parties elected to settle this matter. Class Counsel also recognized that additional discounts could be made to the risk-adjusted value to account for the costs and expenses associated with further litigation and the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts.

32. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of Plaintiffs, the Class, PAGA Employees, and State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the case, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

33. I have reviewed the Court's Checklist for Approval of Class Action and/or Private Attorneys General Act ("PAGA") Settlements and confirm that the moving papers filed herewith comply with the Checklist.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 19th day of May 2026, at Glendale, California.



Ryan Slinger

EXHIBIT 1



May 21, 2024

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfiling@dir.ca.gov

Re: HILLSIDE FOODMART, INC.

Dear Representative:

We have been retained to represent Abraham Chavez against Hillside Foodmart, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "Hillside") for violations of California wage-and-hour laws. Mr. Chavez seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. Chavez seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Hillside employed Mr. Chavez as an hourly-paid, non-exempt employee from approximately June 2023 to approximately November 2023, in the State of California.

The "aggrieved employees" that Mr. Chavez may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, Hillside has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 5-2001.

Hillside required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During

the relevant time period, Mr. Chavez and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Chavez and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Hillside required Mr. Chavez and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, Hillside failed to pay Mr. Chavez and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Hillside failed to pay Mr. Chavez and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Hillside did not provide Mr. Chavez and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Hillside were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Chavez and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the

initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Chavez and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Chavez and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Chavez and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Chavez and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Hillside failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Chavez and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Hillside did not provide Mr. Chavez and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, and 5-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Hillside failed to pay Mr. Chavez and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Chavez and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Hillside failed to pay Mr. Chavez and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Chavez and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Chavez and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Hillside.

Therefore, on behalf of all aggrieved employees, Mr. Chavez seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

A handwritten signature in dark blue ink that reads "Gabriella Sole". The signature is written in a cursive, flowing style.

Gabriella Sole, Esq.

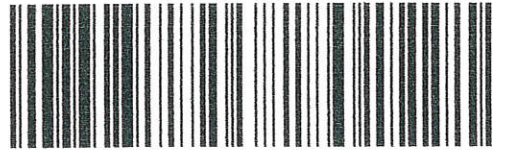
Cc: (By U.S. Certified Mail / Return Receipt Requested)

Hillside Foodmart, Inc.
c/o Ki J Song
Agent for Service of Process
10669 Coloma Rd
Rancho Cordova, CA 95670

Hillside Foodmart, Inc.
c/o Kaleigh E. Thomas
KLINEDINST PC
Attorney
801 K Street, Suite 2100
Sacramento, CA 95814

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Abraham Chavez v. Hillside Foodmart, Inc.

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Abraham Chavez v. Hillside Foodmart, Inc.

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KLINEDINST PC
Attorney
801 K Street, Suite 2100
Sacramento, CA 95814

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c/o Kaleigh E. Thomas
KLINEDINST PC
Attorney
801 K Street, Suite 2100
Sacramento, CA 95814



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KLINEDINST PC
Attorney
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c/o Ki J Song

Agent for Service of Process

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Rancho Cordova, CA 95670

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Abraham Chavez v. Hillside Foodmart, Inc.

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c/o Ki J Song

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c/o Kaleigh E. Thomas
KLINEDINST PC
Attorney
801 K Street, Suite 2100
Sacramento, CA 95814

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To Hillside Foodmart, Inc.

From c/o Kaleigh E. Thomas

KLINEDINST PC

Attorney

801 K Street, Suite 2100

Sacramento, CA 95814

PS Form 3800, January 2023 PSN 7530-02-000-9047

See Reverse for Instructions

EXHIBIT 2

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement” or “Settlement Agreement”) is made and entered into by and between Jorge Narez (“Plaintiff Narez”), individually, on behalf of all others similarly situated, and Abraham Chavez (“Plaintiff Chavez”) (together, “Plaintiffs”), individually, on behalf of all others similarly situated, and on behalf of the State of California with respect to PAGA Employees pursuant to the Private Attorneys General Act, and Hillside Foodmart, Inc. (“Defendant”) (collectively, Plaintiffs and Defendant are referred to as the “Parties” and individually they are referred to as “Party”).

This Joint Stipulation of Class Action and PAGA Settlement and Release shall be binding on Plaintiffs, Settlement Class Members (as defined herein), the State of California with respect to PAGA Employees (as defined herein) and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

1. On November 3, 2021, Plaintiff filed a Class Action Complaint for Damages, thereby commencing a putative class action entitled *Jorge Narez v. Hillside Foodmart, Inc.* in the Superior Court of California for the County of Sacramento, Case No. 34-2021-00310762 (“Action”) against Defendant for alleged violations of the California Labor Code.

2. On May 21, 2024, Plaintiff Chavez provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant of his intent to pursue civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) for Defendant’s alleged violations of the California Labor Code (“PAGA Notice”). A true and correct copy of the PAGA Notice is attached hereto as “**EXHIBIT A.**”

3. On October 6, 2025, Plaintiff Narez filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“First Amended Complaint”), thereby adding Plaintiff Chavez as an additional plaintiff and adding a claim for civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698, *et seq.* (“PAGA”), on behalf of the State of California in connection with Plaintiff Chavez and aggrieved employees.

4. Defendant denies all material allegations set forth in both the Complaint and First Amended Complaint in the Action and has asserted numerous affirmative defenses in the case. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action, the Released Class Claims, and the Released PAGA Claims.

5. Class Counsel diligently investigated the claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of Defendant's employment and operations policies, practices, and procedures.

6. On May 23, 2024, the Parties participated in mediation with the Honorable Raul A. Ramirez (Ret.) (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The settlement discussions were conducted at arm’s-length, and the Settlement is the result of an informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel’s own independent investigation and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, the State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

7. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

8. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

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1 a. “Attorneys’ Fees and Costs” means attorneys’ fees for Class Counsel’s litigation
2 and resolution of the Action and all actual costs incurred and to be incurred by Class Counsel in the
3 Action, as set forth in Paragraph 13.

4 b. “Class Counsel” means Arby Aiwasian, Joanna Ghosh, Brian J. St. John, and
5 Harris Koepenick of Lawyers *for* Justice, PC.

6 c. “Class List” means a complete list of all Class Members that Defendant will
7 diligently and in good faith compile from their records and provide to the Settlement Administrator. The
8 Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each
9 Class Member’s last-known full name, mailing address, telephone number, Social Security Number,
10 start and end dates employed as a non-exempt, hourly-paid employee of Defendant in California during
11 the Class Period, and such other information as is necessary for the Settlement Administrator to calculate
12 Workweeks (as defined herein).

13 d. “Class Member(s)” or “Class” means all current and former non-exempt or hourly-
14 paid employees who were employed by Defendant in California at any time during the Class Period.
15 Defendant represents that the number of Class Members is approximately Six Hundred Eighty-Six (686)
16 individuals, as of May 23, 2024.

17 e. “Class Notice” means the Notice of Class Action Settlement, substantially in the
18 form attached as “**Exhibit B.**”

19 f. “Class Period” means the time period from November 3, 2017 through May 23,
20 2024.

21 g. “Class Representatives” or “Plaintiffs” mean Jorge Narez and Abraham Chavez.

22 h. “Class Settlement” means the settlement and resolution of all Released Class
23 Claims.

24 i. “Court” means the Superior Court of California for the County of Sacramento.

25 j. “Defendant” means Hillside Foodmart, Inc.

26 k. “Defendant’s Counsel” means Lindsey N. Casillas and Kaleigh E. Thomas of
27 Klinedinst PC.

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1 l. “Effective Date” means the later of (a) the last day on which any appeal might be
2 filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date
3 of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including
4 expiration of any time to seek reconsideration or further review.

5 m. “Employer Taxes” means the employers’ share of taxes and contributions in
6 connection with the wages portion of Individual Settlement Shares.

7 n. “Enhancement Payment” means the amount to be paid to Plaintiffs in recognition
8 of their efforts and work in prosecuting the Action.

9 o. “Final Approval” means the determination by the Court that the Settlement is fair,
10 reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

11 p. “Final Approval Hearing” means the hearing at which the Court will consider and
12 determine whether the Settlement should be granted Final Approval.

13 q. “Individual PAGA Payment(s)” means the *pro rata* share of the PAGA Employee
14 Amount that a PAGA Employee may be eligible to receive for the PAGA Settlement, to be calculated
15 in accordance with Paragraph 18.

16 r. “Individual Settlement Payment(s)” means the net payment of each Settlement
17 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
18 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
19 Paragraph 28.

20 s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
21 Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in
22 accordance with Paragraph 17.

23 t. “LWDA Payment” means the amount of One Hundred One Thousand Two
24 Hundred Fifty Dollars (\$101,250.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to
25 pay to the California Labor and Workforce Development Agency (“LWDA”) for the PAGA Settlement,
26 as set forth in Paragraph 16.

27 u. “Maximum Settlement Amount” means the amount of Eight Hundred and Ninety-
28 Five Thousand Dollars (\$895,000.00) to be paid by Defendant in full resolution of all Released Class

1 Claims, Released PAGA Claims, and the Action provided for under the Class Settlement and PAGA
2 Settlement, which includes all Attorneys' Fees and Costs to be paid to Class Counsel, Enhancement
3 Payments to be paid to Plaintiffs, PAGA Amount to be paid to the LWDA and PAGA Employees, Net
4 Settlement Amount to be paid to the Settlement Class Members, and Settlement Administration Costs to
5 be paid to the Settlement Administrator. The Maximum Settlement Amount may increase to the extent
6 provided in Paragraph 39. The Maximum Settlement Amount does not include Employer Taxes;
7 Employer Taxes will be paid by Defendant, separately and in addition to the Maximum Settlement
8 Amount.

9 v. "Net Settlement Amount" means the Maximum Settlement Amount less the Court-
10 approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and Attorneys' Fees
11 and Costs.

12 w. "Objection" means a Class Member's written objection to the Class Settlement,
13 which must: (a) contain the case name and number of the Class Action; (b) contain the Class Member's
14 full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c)
15 contain a written statement of all grounds for the objection accompanied by any legal and factual support
16 for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection
17 is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked
18 on or before the Response Deadline.

19 x. "Operative Complaint" means the First Amended Class Action Complaint for
20 Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et
21 Seq. filed on October 6, 2025 in the Action.

22 y. "PAGA Amount" means the allocation of One Hundred and Thirty-Five
23 Thousand Dollars (\$135,000.00) from the Maximum Settlement Amount as civil penalties pursuant to
24 the Private Attorneys General Act, California Labor Code section 2698 *et seq.*, for the settlement and
25 resolution of the Released PAGA Claims. Seventy-five percent (75%) of the PAGA Amount, or
26 \$101,250.00, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining twenty-five
27 percent (25%), or \$33,750.00, will be distributed to PAGA Employees (i.e., the PAGA Employee
28 Amount).

1 z. “PAGA Employees” means all current and former non-exempt or hourly-paid
2 employees who were employed by Defendant in California at any time during the PAGA Period.

3 aa. “PAGA Employee Amount” means the amount of Thirty-Three Thousand Seven
4 Hundred and Fifty Dollars (\$33,750.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA
5 Employees on a *pro rata* basis based on their Workweeks during the PAGA Period.

6 bb. “PAGA Period” means the time period from May 21, 2023 through May 23, 2024.

7 cc. “PAGA Settlement” means the settlement and resolution of Released PAGA
8 Claims.

9 dd. “Parties” means Plaintiffs and Defendant, collectively, and “Party” means any of
10 the Plaintiffs or Defendant.

11 ee. “Preliminary Approval” means entry of the Court order granting preliminary
12 approval of the Settlement Agreement.

13 ff. “Released Class Claims” means all claims under state, federal, or local law, alleged
14 in the Operative Complaint and all other claims, such as those under the California Labor Code, Wage
15 Orders, regulations, and/or other provisions of law, that could have been asserted based on the facts
16 pleaded in the Operative Complaint, arising during the Class Period, for: (1) failure to pay overtime wages
17 under Labor Code Sec. 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums
18 under Labor Code Sec. 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums
19 under Labor Code Sec. 226.7; (4) failure to pay minimum wages under Labor Code Sec. 1194, et seq.; (5)
20 failure to timely pay wages upon termination under Labor Code Sec. 203; (6) failure to timely pay wages
21 during employment under Labor Code Sec. 204, 210; (7) failure to provide accurate, itemized wage
22 statements under Labor Code Sec. 226; (8) failure to keep requisite payroll records under Labor Code Sec.
23 1174(d); (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802; (10) violation of
24 California’s unfair competition law under Business and Professions Code Sec. 17200, including without
25 limitation all related claims for compensatory damages, restitution, and other equitable relief,
26 conversion, liquidated damages, punitive damages, and penalties.

27 gg. “Released PAGA Claims” means all claims for civil penalties under the Private
28 Attorneys General Act, California Labor Code section 2698, *et seq.* that were alleged in the PAGA

1 Notice and Operative Complaint or that reasonably could have been alleged based on the factual
2 allegations in the PAGA Notice and Operative Complaint, arising during the PAGA Period, against any
3 of the Released Parties, for violations of the California Labor Code, including *inter alia* sections 201,
4 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and
5 2802, and applicable Industrial Welfare Commission Wage Orders (including, *inter alia*, Nos. 4-2001 and
6 5-2001 for failure to pay all and overtime wages due; failure to provide compliant meal periods and
7 associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay
8 all minimum wages due; failure to pay all wages timely during employment, failure to pay all wages
9 timely at the time of termination; failure to provide complete, accurate, or properly formatted wage
10 statements; failure to maintain requisite payroll records; and failure to reimburse business expenses,
11 including without limitation all related claims for compensatory damages, restitution, and other
12 equitable relief, conversion, liquidated damages, punitive damages, and penalties.

13 hh. “Released Parties” means Hillside Foodmart, Inc., Mi Rancho Supermercado
14 including its two locations, Mi Rancho at 2355 Florin Rd., Sacramento, CA 95822 and Mi Rancho RC at
15 10669 Coloma Rd., Rancho Cordova, CA 95670, and any of their former and/or current parents,
16 subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class
17 Members or PAGA Employees as well as each of their officers, directors (Ki Jin Song and Jinny Song),
18 managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and
19 any other predecessors, successors, assigns or legal representatives.

20 ii. “Request for Exclusion” means a Class Member’s written letter indicating a
21 request to be excluded from the Class Settlement, which must: (a) contain the case name and number of
22 the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last
23 four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class
24 Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement
25 Administrator at the specified address, postmarked on or before the Response Deadline.

26 jj. “Response Deadline” means the deadline by which Class Members must submit
27 a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be the date that is forty-
28 five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator,

1 unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be
2 extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-
3 mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen
4 (15) calendar days from the initial Response Deadline.

5 kk. “Settlement Administrator” means ILYM Group, Inc. or any other third-party
6 class action settlement administrator agreed to by the Parties and approved by the Court for purposes of
7 administering this Settlement. The Parties and their counsel each represent that they do not have any
8 financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement
9 Administrator that could create a conflict of interest.

10 ll. “Settlement Administration Costs” means the costs payable from the Maximum
11 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this
12 Settlement, as set forth in Paragraph 12.

13 mm. “Settlement Class Members” or “Settlement Class” means all Class Members who
14 do not submit a timely and valid Request for Exclusion.

15 nn. “Workweeks” means the number of weeks (starting with Sunday and ending on
16 Saturday) each Class Member was employed by Defendant as a non-exempt or hourly paid employee in
17 California during the Class Period or PAGA Period. Workweeks will be calculated by the Settlement
18 Administrator by, for each Class Member and/or PAGA Employee, calculating the number of weeks in
19 which a Class Member and/or PAGA Employee was employed at least one day in the week, from the
20 start date of the Class Member’s and/or PAGA Employee’s employment to the end date of the Class
21 Member’s and/or PAGA Employee’s employment, less any leave of absence or gaps in employment
22 with Defendant.

23 oo. “Workweeks Dispute” means a Class Member’s or PAGA Employee’s written
24 letter disputing the pre-printed information on the Class Notice as to the number of Workweeks credited
25 to them during the Class Period and/or PAGA Period, which must: (a) contain the case name and number
26 of the Action; (b) contain the Class Member’s and/or PAGA Employee’s full name, signature, address,
27 telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class
28 Member disputes of the number of Workweeks credited to him or her during the Class Period and/or

PAGA Period and what he or she contends is the correct number to be credited to him or her; (d) attach any documentation that he or she has to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

CLASS CERTIFICATION

9. For the purposes of this settlement only, the Parties stipulate to the certification of the Class.

10. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under California Code of Civil Procedure section 382. Should, for whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate as to any of the claims asserted by Plaintiff against Defendant in a non-settlement context.

TERMS OF AGREEMENT

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

11. Amendment of Complaint. To implement the terms of the Settlement, Parties have agreed that Plaintiff will file a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the Action, that will add Plaintiff Chavez as a named Plaintiff and add a cause of action for violations of the California Private Attorneys General Act, California Labor Code § 2698, et seq ("PAGA"). Parties will enter into a separate stipulation seeking an order from the Court granting Plaintiff Narez leave to file the contemplated amended complaint and/or Plaintiff Narez will move the Court for leave to file the contemplate amended complaint (and Defendant will not oppose this request).

12. Funding and Disbursement of the Maximum Settlement Amount. Within fifteen (15) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting estimate of the amounts to be paid by Defendant, which includes the amount due for the Employer Taxes, pursuant to the terms of the Settlement and establish a qualified settlement account for administration of the Settlement. Within thirty (30) calendar days after the execution of an Order by

the Court approving the settlement of this matter, Defendant will make a first deposit in the amount of \$223,750.00 and the Employer Taxes, into the settlement account to be established by the Settlement Administrator ("First Installment"). Within one hundred eighty-three (183) calendar days after the execution of an Order by the Court approving the settlement of this matter, Defendant will make a second deposit in the amount of \$223,750.00 into the settlement account to be established by the Settlement Administrator ("Second Installment"). Within three hundred sixty-five (365) calendar days after the execution of an Order by the Court approving the settlement of this matter, Defendant will make a third deposit in the amount of \$223,750.00 into the settlement account to be established by the Settlement Administrator ("Third Installment"). Within five hundred forty-eight (548) calendar days after the execution of an Order by the Court approving the settlement of this matter, Defendant will make a final deposit in the amount of \$223,750.00 into the settlement account to be established by the Settlement Administrator ("Fourth Installment"). Defendant shall provide a declaration to support claims of financial distress to support approval of the Settlement, if requested by the Court. Within seven (7) calendar days of the full funding of the Maximum Settlement Amount, the Settlement Administrator will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Employees; (c) LWDA Payment to the LWDA; (d) Enhancement Payments to Plaintiffs; (e) Attorneys' Fees and Costs to Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The Settlement Administrator will also undertake filings and remittances in connection with the employee's share of taxes on the wages portion of the Individual Settlement Shares and the Employer Taxes, that are necessary for administration of the Settlement.

13. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose attorneys' fees of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., up to \$313,250.00 if the Maximum Settlement Amount remains \$895,000.00) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, supported by declaration, in an amount not to exceed Thirty Thousand Dollars (\$30,000.00), both of which will be paid from the Maximum Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation

1 and settlement of the Action, including without limitation all work performed and costs incurred to date,
2 and all work to be performed and all costs to be incurred in connection with obtaining the Court's
3 approval of this Settlement Agreement, including any objections raised and any appeals necessitated by
4 those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this
5 compensation for tax purposes and for paying any taxes on the amounts received. With respect to the
6 Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase an annuity to
7 utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles for Class
8 Counsel, and any additional expenses for doing so shall be paid separately by Class Counsel and shall
9 not be included within the Settlement Administration Costs. Defendant and Defendant's Counsel shall
10 not be liable for any expenses associated with the purchase or use of any attorney fee deferral vehicles
11 for Class Counsel by the Settlement Administrator. Any portion of the requested Attorneys' Fees and
12 Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit of
13 Settlement Class Members.

14 14. Enhancement Payment. In recognition of their efforts and work in prosecuting the Action,
15 Defendant agrees not to oppose or impede any application or motion for an Enhancement Payment to
16 each of the Plaintiffs in the amount of up to Seven Thousand Five Hundred Dollars (\$7,500.00), or Fifteen
17 Thousand Dollars (\$15,000.00) total. The Enhancement Payment, which will be paid from the
18 Maximum Settlement Amount subject to Court approval, will be in addition to any Individual Settlement
19 Payment and Individual PAGA Payment (if applicable) that they are eligible to receive pursuant to the
20 Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiffs for the Enhancement
21 Payments, and Plaintiffs shall be solely and legally responsible for correctly characterizing this
22 compensation for tax purposes and for paying any and all taxes on the amounts received. Should the
23 Court not approve the Enhancement Payments to Plaintiffs, or approve them in an amount that is less
24 than that set forth above, Plaintiffs shall not have the right to revoke this Agreement, and it will remain
25 binding, and the difference between the amount approved by the Court (if any) and the amount allocated
26 toward the Enhancement Payments will be part of the Net Settlement Amount for the benefit of
27 Settlement Class Members.

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1 15. Settlement Administration Costs. The Settlement Administrator will be paid for the
2 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
3 which is currently estimated not to exceed Fifteen Thousand Dollars (\$15,000.00). These costs, which
4 will be paid from the Maximum Settlement Amount subject to Court approval, will include, *inter alia*,
5 translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other
6 documents for the Settlement, calculating and distributing payments due under the Settlement, issuing
7 of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances,
8 providing necessary reports and declarations, and other duties and responsibilities set forth herein to
9 process this Settlement, and as requested by the Parties. To the extent actual Settlement Administration
10 Costs are greater than the estimated amount stated herein, such excess amount will be deducted from the
11 Maximum Settlement Amount, subject to approval by the Court. Any portion of the estimated,
12 designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill
13 payment to the Settlement Administrator, to undertake the requirement settlement administration duties,
14 will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

15 16. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
16 One Hundred Thirty-Five Thousand Dollars (\$135,000.00) from the Maximum Settlement Amount will
17 be allocated toward civil penalties under the Private Attorneys General Act, California Labor Code
18 section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$101,250.00,
19 will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$33,750.00, will
20 be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on
21 Workweeks during the PAGA Period (i.e., the Individual PAGA Payment).

22 17. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated
23 and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks
24 during the Class Period, as follows:

25 a. After Preliminary Approval of the Settlement, the Settlement Administrator will
26 divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class
27 Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual
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Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share.

b. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members during the Class Period to yield the “Final Workweek Value,” and multiply each Settlement Class Member’s individual Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual Settlement Share.

18. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees’ number of Workweeks during the PAGA Period as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the total number of Workweeks of all PAGA Employees during the PAGA Period to yield the “PAGA Workweek Value,” and multiply each PAGA Employee’s individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield his or her Individual PAGA Payment.

19. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiffs, Settlement Class Members, or PAGA Employees to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiffs, Settlement Class Members, or PAGA Employees to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the sole payments to be made by Defendant to the Settlement Class Members and PAGA Employees in connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

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1 20. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code
2 section 2699(1)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the
3 same time that it is submitted to the Court for preliminary approval.

4 21. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary
5 Approval, Defendant will provide the Class List to the Settlement Administrator.

6 22. Notice by First-Class U.S. Mail.

7 a. Within fourteen (14) calendar days after receiving the Class List from Defendant,
8 the Settlement Administrator will perform a search based on the United States Postal Service's National
9 Change of Address Database or any other similar services available, such as provided by Experian, for
10 information to update and correct for any known or identifiable address changes, and will mail a Class
11 Notice in English and Spanish (in the form attached as **Exhibit B** to this Settlement Agreement) to all
12 Class Members via U.S. mail, using the most current, known mailing addresses identified by the
13 Settlement Administrator.

14 b. With respect to Class Notices that are returned as undeliverable on or before the
15 Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-
16 trace and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

17 c. Dispute Regarding Workweeks. The Class Notice will include the procedure by
18 which a Class Member and/or PAGA Employee may dispute the number of Workweeks allocated to
19 him or her by submitting a timely and valid Workweeks Dispute. The date of the postmark on the return
20 mailing envelope will be the exclusive means to determine whether a dispute has been timely submitted.
21 Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number
22 of Workweeks to be credited to a disputing Class Member and/or PAGA Employee, Defendant's records
23 will be presumed correct and determinative of the dispute. The Settlement Administrator will evaluate
24 the information and/or documents submitted by the Class Member and/or PAGA Employee and the
25 Settlement Administrator will resolve and determine the number of Workweeks that the disputing Class
26 Member and/or PAGA Employee should be credited with under the Settlement. The Settlement
27 Administrator's decision on such disputes will be final and non-appealable.

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1 23. Settlement Checks.

2 a. The Settlement Administrator will be responsible for undertaking appropriate
3 deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to
4 the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA
5 Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement
6 Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one
7 check if the intended recipient for both payments is one individual.

8 b. The Settlement Administrator shall remit and report the applicable portions of the
9 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this
10 Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent
11 necessary to determine the amount of the payroll tax payment required

12 c. Each Individual Settlement Payment check and Individual PAGA Payment check
13 will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original
14 issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the
15 cancelation of checks issued to Settlement Class Members and PAGA Employees, shall be paid to
16 Compassion International (“Proposed *Cy Pres* Recipient”). The Proposed *Cy Pres* Recipient is a 501(c)(3)
17 nonprofit organization which helps support youths experiencing poverty including by providing and/or
18 funding vocational training. The Parties and their counsel do not have any interests in the Proposed *Cy*
19 *Pres* Recipient or involvement within the governance or work of the Proposed *Cy Pres* Recipient. Should
20 the Court reject Compassion International as a viable *cy pres* recipient, the Parties agree to select and
21 propose an alternate *cy pres* recipient (“Alternate *Cy Pres* Recipient”) that is an entity that the Parties
22 and their counsel do not have any interest in and with respect to which they do not have any involvement
23 in the entity’s governance or work. Payment to the *Cy Pres* Recipient or Alternative *Cy Pres* Recipient
24 shall be made after the Court enters an order approving the Parties’ stipulation to amend the judgment,
25 which Parties shall prepare and file in accordance with California Code of Civil Procedure section 384.5,
26 *et seq.*

27 d. Defendant shall undertake amended and/or supplemental tax filings and reporting,
28 required under applicable local, state, and federal tax laws, that are necessitated due to the cancelation

of any Individual Settlement Payment or Individual PAGA Payment checks. However, the Settlement Administrator shall provide Defendant Hillside with any and all information regarding cancelled checks for the purpose of submitting amended and/or supplemental tax filings no later than seven (7) days after certification of the completion of the settlement. Settlement Class Members whose Individual Settlement Payment checks are canceled shall, nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will have claim preclusive impact with respect to them and all Settlement Class Members with respect to the Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the PAGA Employees with respect to the PAGA Settlement irrespective of whether their Individual PAGA Payment checks are canceled.

24. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel, the number of timely and valid Requests for Exclusion that were submitted, and also identify the individuals who submitted them, in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. All PAGA Employees will be bound by the PAGA Settlement and will be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

25. Procedures for Objecting to the Class Settlement. Class Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be signed by the Settlement Class Member and contain all information required by Paragraph 8w. of this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the

Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection orally at the Final Approval Hearing, irrespective of whether they submit a written Objection. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in advance of the Final Approval Hearing.

26. Reports by the Settlement Administrator Regarding Settlement Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted Workweeks Disputes; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class Members who have submitted timely and complete Objections; (d) the number of undeliverable Class Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement.

27. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

28. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and

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withholdings). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

29. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA Employees, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all payroll taxes, contributions, and withholdings to the appropriate government authorities.

30. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement, the Class Notice, or any other communications to Class Members or PAGA Employees regarding the Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other communication regarding the Settlement be relied on as such. Plaintiffs, Settlement Class Members, and PAGA Employees understand and agree that they will be solely responsible for correctly characterizing any compensation received by them under the Settlement on their personal income tax returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.

31. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION

1 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND
2 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
3 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY
4 BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO
5 ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
6 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES
7 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
8 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
9 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
10 BY THIS SETTLEMENT AGREEMENT.

11 32. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
12 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
13 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
14 of action or right herein released and discharged.

15 33. Releases of Claims.

16 a. Class Settlement Release. Upon the Effective Date and full funding of the
17 Maximum Settlement Amount, Plaintiffs and all Class Members who do not submit a timely and valid
18 Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever
19 released, settled, compromised, relinquished, and discharged the Released Parties of and from all
20 Released Class Claims.

21 34. PAGA Settlement Release. Upon the Effective Date and full funding of the Maximum
22 Settlement Amount, Plaintiff Chavez, the State of California with respect to PAGA Employees, and
23 PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised,
24 relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to
25 Plaintiff Chavez and the PAGA Employees.

26 35. General Release of Claims by Plaintiffs. In addition to the above releases of claims, upon
27 the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs will be deemed to
28 have fully released and discharged the Released Parties of and from all claims arising from their

1 employment with Defendant, separation of employment from Defendant, and any acts that have or could
2 have been asserted in any legal action or proceeding against Defendant, whether known or unknown,
3 arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the
4 California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil
5 Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California
6 Corporations Code, California Business and Professions Code, California Fair Employment and Housing
7 Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination,
8 harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation,
9 emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and
10 costs, arising on or before the date of execution of the Settlement Agreement. With respect to those claims
11 released by Plaintiffs in an individual capacity, Plaintiffs acknowledges and waives any and all rights and
12 benefits available under California Civil Code section 1542, which provides:

13 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
14 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR
15 HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF
16 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
17 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

18 Plaintiffs understand and agree that claims or facts in addition to or different from those which are now
19 known or believed by Plaintiffs to exist may hereafter be discovered. It is Plaintiffs' intention to settle
20 fully and release all claims Plaintiffs now have against the Released Parties, whether known or unknown,
21 suspected or unsuspected, upon the Effective Date and full funding of the Maximum Settlement Amount.
22 Notwithstanding the above, this general release by Plaintiffs shall not extend to claims for workers'
23 compensation benefits, claims for unemployment benefits, or other claims that may not be released by
24 law.

25 36. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

26 Upon execution of this Settlement Agreement, Plaintiffs shall promptly obtain a hearing date for
27 Plaintiffs' motion for preliminary approval of the Settlement, and submit this Settlement Agreement to
28 the Court in support of said motion. Defendant agrees not to oppose the motion for preliminary approval
of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for

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the entry of an order (“Preliminary Approval Order”), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiffs as representatives of the Class for settlement purposes only;
- d. Preliminarily appointing Class Counsel as counsel for the Class for settlement purposes only;
- e. Approving, as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing to the Class by U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate.

37. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court’s permission, a hearing will be conducted on Plaintiffs’ motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys’ Fees and Costs, Enhancement Payments, and Settlement Administration Costs. By way of said motion, Plaintiffs will apply for the entry of the mutually-agreed-upon proposed order and judgment (“Final Approval Order and Judgment”), which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Certification of the Settlement Class;
- c. Appointment of Plaintiffs as representatives of the Settlement Class;
- d. Appointment of Class Counsel as counsel for the Settlement Class;
- e. Approval of the application for Attorneys’ Fees and Costs to Class Counsel;

1 f. Approval of the application for Enhancement Payment to Plaintiffs;

2 g. Directing Defendant to fund all amounts due under the Settlement Agreement as
3 set forth by the agreement and ordered by the Court; and

4 h. Entering judgment in this Action, while maintaining continuing jurisdiction to
5 implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement
6 Agreement.

7 38. Effects of Termination of the Settlement. In the event that the Settlement Agreement is
8 not approved by the Court, such a development shall have the following effects:

9 a. The Settlement Agreement and all negotiations, statements, and proceedings
10 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored
11 to their respective positions in the Action prior to the execution of the Settlement Agreement;

12 b. Neither this Settlement Agreement, nor any ancillary documents, actions,
13 statements, or filings in furtherance of the Settlement (including all matters associated with the mediation)
14 shall be offered into evidence in the Action or any other action for any purpose whatsoever; and

15 c. Any documents generated to bring the Settlement into effect, will be null and
16 void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be
17 treated as void from the beginning.

18 39. Escalator Clause. Defendant represents that, during the period from November 3, 2017
19 through October 31, 2023, there are 46,987 Workweeks for the Class Members. If it is determined that
20 the total number of Workweeks exceed 46,987 by more than eight percent (8%) (i.e. exceeds 50,746)
21 during the Class Period, then the Maximum Settlement Amount will be increased on a *pro rata* basis
22 equal to the percentage increase in the number of Workweeks above 50,746 Workweeks (e.g., if the
23 number of Workweeks increase by 9% to 51,216 Workweeks, the Maximum Settlement Amount will
24 increase by 1%).

25 40. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court
26 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section
27 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and
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enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

41. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

42. Limitation on Publicity. Plaintiffs and Class Counsel agree not to issue press releases and engage in any publicity regarding the Settlement, except as shall be contractually required to effectuate the terms of the Settlement and respond to inquiries received from Class Members and PAGA Employees. Furthermore, Plaintiffs and Class Counsel will undertake any and all disclosures and submissions required to be made to the LWDA in conformity with PAGA.

43. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal law, which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein.

44. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including, and not limited to, the deadline to bring the Action to trial under California Code of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

45. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject

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1 to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement
2 will not constitute a waiver of any other provision.

3 46. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
4 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
5 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant
6 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
7 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
8 full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement
9 will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
10 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
11 provisions that otherwise might apply under state or federal law.

12 47. Signatories. It is agreed that because the members of the Class are so numerous, it is
13 impossible or impractical to have each Class Member execute this Settlement Agreement. The Class
14 Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement
15 Class Members, and the release shall have the same force and effect as if this Settlement Agreement
16 were executed by each Settlement Class Member.

17 48. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
18 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

19 49. California Law Governs. All terms of this Settlement Agreement and attached exhibits
20 hereto will be governed by and interpreted according to the laws of the State of California.

21 50. Execution and Counterparts. This Settlement Agreement is subject only to the execution
22 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
23 executed counterparts and each of them, including facsimile, electronic, and scanned copies of the
24 signature page, will be deemed to be one and the same instrument.

25 51. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this
26 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, Released Class
27 Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations
28 and in the context of adversarial litigation, taking into account all relevant factors, present and potential.

1 The Parties further acknowledge that they are each represented by competent counsel and that they have
2 had an opportunity to consult with their counsel regarding the fairness and reasonableness of this
3 Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator
4 may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the
5 Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the
6 Settlement is objectively fair and reasonable.

7 52. Invalidity of Any Provision. Before declaring any provision of this Settlement
8 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
9 possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement
10 valid and enforceable.

11 53. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the
12 terms herein and agree to fully cooperate to implement the Settlement.

13 54. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve
14 the dispute that has arisen between them and to avoid the burden, expense, and risk of continued
15 litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies,
16 that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated
17 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any
18 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in
19 any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any
20 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
21 admission or concession by Defendant of any such violations or failures to comply with any applicable
22 law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this
23 Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or
24 proceeding to establish any liability or admission on the part of Defendant or to establish the existence
25 of any condition constituting a violation of, or a non-compliance with state, federal, local, or other
26 applicable law.

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55. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

56. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

57. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full by the Parties with the assistance of their respective counsel.

58. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

59. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiff and Class Counsel:

Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
Brian J. St. John, Esq.
Harris Koepenick, Esq.
LAWYERS for JUSTICE, PC
450 North Brand Boulevard, Suite 900
Glendale, California 91203

To Defendant:

Lindsey N. Casillas, Esq.
Kaleigh E. Thomas, Esq.
KLINEDINST PC
801 K Street, Suite 2100
Sacramento, California 95814

60. Final Approval Order and Judgment. Plaintiffs shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized notice of the Final Approval Order and Judgment to the Class will be required.

61. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and PAGA Settlement and Release between Plaintiffs and Defendant:

IT IS SO AGREED.

[SIGNATURES ON FOLLOWING PAGE]

PLAINTIFF JORGE NAREZ

Dated: 02/13/2026, 2026

Electronically Signed 2026-02-14 04:01:02 UTC - 76.127.66.186
Nintex AssureSign® 602be379-eeed-4bd4-a7df-639f000154dc

Jorge Narez, Plaintiff

PLAINTIFF ABRAHAM CHAVEZ

Dated: 02/13/2026, 2026

Electronically Signed 2026-02-14 01:39:55 UTC - 69.107.145.67
Nintex AssureSign® b893cd30-1b40-4480-8cde-b3f1000b4d50

Abraham Chavez, Plaintiff

DEFENDANT HILLSIDE FOODMART, INC.

Dated: February 9, 2026

Jinny Song

Full Name: Jinny Song

Title: CFO

On behalf of Hillside Foodmart, Inc.

1 **APPROVED AS TO FORM:**

2 **LAWYERS *for* JUSTICE, PC**

3
4 Dated: February 13, 2026

5 
6 Arby Aiwazian
7 Joanna Ghosh
8 Brian J. St. John
9 Harris Koepenick
10 *Attorneys for* Plaintiffs and Proposed Class Counsel

11 **KLINEDINST PC.**

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28 Dated: February 13, 2026

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30 Lindsey N. Casillas
31 Kaleigh E. Thomas
32 *Attorneys for* Defendant

EXHIBIT A



May 21, 2024

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: HILLSIDE FOODMART, INC.

Dear Representative:

We have been retained to represent Abraham Chavez against Hillside Foodmart, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "Hillside") for violations of California wage-and-hour laws. Mr. Chavez seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. Chavez seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Hillside employed Mr. Chavez as an hourly-paid, non-exempt employee from approximately June 2023 to approximately November 2023, in the State of California.

The "aggrieved employees" that Mr. Chavez may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, Hillside has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 5-2001.

Hillside required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During

the relevant time period, Mr. Chavez and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Chavez and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Hillside required Mr. Chavez and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, Hillside failed to pay Mr. Chavez and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Hillside failed to pay Mr. Chavez and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Hillside did not provide Mr. Chavez and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Hillside were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Chavez and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the

initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Chavez and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Chavez and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Chavez and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Chavez and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Hillside failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Chavez and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Hillside did not provide Mr. Chavez and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, and 5-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Hillside failed to pay Mr. Chavez and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Chavez and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Hillside failed to pay Mr. Chavez and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Chavez and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Chavez and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Hillside.

Therefore, on behalf of all aggrieved employees, Mr. Chavez seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

A handwritten signature in dark blue ink that reads "Gabriella Sole". The signature is written in a cursive, flowing style.

Gabriella Sole, Esq.

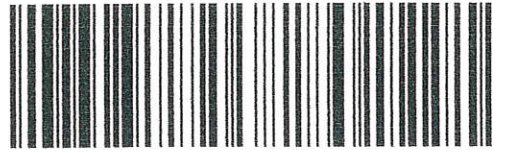
Cc: (By U.S. Certified Mail / Return Receipt Requested)

Hillside Foodmart, Inc.
c/o Ki J Song
Agent for Service of Process
10669 Coloma Rd
Rancho Cordova, CA 95670

Hillside Foodmart, Inc.
c/o Kaleigh E. Thomas
KLINEDINST PC
Attorney
801 K Street, Suite 2100
Sacramento, CA 95814

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

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U.S. Postal Service™
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PAGA Notice #1

Abraham Chavez v. Hillside Foodmart, Inc.

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☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

Postmark
Here

Hillside Foodmart, Inc.
c/o Ki J Song
Agent for Service of Process
10669 Coloma Rd
Rancho Cordova, CA 95670

PS Form 3800, January 2023 PSN 7530-02-000-9053 See reverse for instructions

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Hillside Foodmart, Inc.
c/o Ki J Song
Agent for Service of Process
10669 Coloma Rd
Rancho Cordova, CA 95670

9590 9402 8701 3310 8064 74



2. Article Number (Transfer from service label)

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PS Form 3811, July 2020 PSN 7530-02-000-9053

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A. Signature ☐ Agent ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
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3. Service Type
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☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Registered Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery
Insured Mail (Limit \$500)
Restricted Delivery

Domestic Return Receipt

DC
LAWYERS FOR JUSTICE
410 ARDEN AVE, SUITE 203 / GLENDALE, CA 91203

Hillside Foodmart, Inc.
c/o Ki J Song
Agent for Service of Process
10669 Coloma Rd
Rancho Cordova, CA 95670

PITNEY BOWES
US POSTAGE™
FIRST-CLASS
028W0002310616
2000152203
ZIP 91203
MAY 21 2024



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9589 0710 5270 0409 9611 90

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT

PC

PAGA Notice #2

Abraham Chavez v. Hillside Foodmart, Inc.

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

To Hillside Foodmart, Inc.

c/o Kaleigh E. Thomas

KLINEDINST PC

Attorney

801 K Street, Suite 2100

Sacramento, CA 95814

PS Form 3800, January 2023 PSN 7530-02-000-9047

See Reverse for Instructions

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1. Article Addressed to:

Hillside Foodmart, Inc.
c/o Kaleigh E. Thomas
KLINEDINST PC
Attorney
801 K Street, Suite 2100
Sacramento, CA 95814



9590 9402 8701 3310 8064 50

2. Article Number (Transfer from service label)

9589 0710 5270 0409 9611 90

PS Form 3811, July 2020 PSN 7530-02-000-9053

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- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

- ☒ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

LAWYERS FOR JUSTICE
410 ARDEN AVE, SUITE 203 / GLENDALE, CA 91203

PC

Hillside Foodmart, Inc.
c/o Kaleigh E. Thomas
KLINEDINST PC
Attorney
801 K Street, Suite 2100
Sacramento, CA 95814

PITNEY BOWES
\$8.93
US POSTAGE
FIRST-CLASS
028W00002310943
2000152203
ZIP 91203
MAY 21 2024





GLENDALE
313 E BROADWAY
GLENDALE, CA 91205-9998
(800)275-8777

05/21/2024

04:55 PM

Product	Qty	Unit Price	Price
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First-Class Mail® Letter	1		\$0.68
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Rancho Cordova, CA 95670

Weight: 0 lb 1.00 oz

Estimated Delivery Date

Fri 05/24/2024

Certified Mail® Tracking #:	9589 0710 5270 0409 9612 13	\$4.40
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Return Receipt Tracking #:	9590 9402 8701 3310 8064 74	\$3.65
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Affixed Postage		-\$8.73
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Affixed Amount: \$8.73

Total		\$0.00
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Grand Total:		\$0.00
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Text your tracking number to 28777 (2USPS) to get the latest status. Standard Message and Data rates may apply. You may also visit www.usps.com USPS Tracking or call 1-800-222-1811.

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or scan this code with your mobile device,



or call 1-800-410-7420.

UFN: 053012-0711

Receipt #: 840-59130024-3-5711158-2

Clerk: 11

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Hillside Foodmart, Inc.

c/o Ki J Song

Agent for Service of Process

10669 Coloma Rd

Rancho Cordova, CA 95670

9590 9402 8701 3310 8064 74



2. Article Number (Transfer from service label)

9589 0710 5270 0409 9612 13

PS Form 3811, July 2020 PSN 7530-02-000-9065

COMPLETE THIS SECTION ON D

A. Signature

X

B. Received by (Printed Name)

Agent

Addressee

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

Yes No

3. Service Type

Adult Signature Restricted Delivery

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery Restricted Delivery

Used Mail Restricted Delivery

Priority Mail Express®

Registered Mail™

Signature Confirmation™

Domestic Return Receipt

U.S. Postal Service™
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PAGA Notice #1

Abraham Chavez v. Hillside Foodmart, Inc.

Certified Mail Fee

\$4.40

6024.65

0711

11

05/21/2024

Postmark Here

Postage

\$0.68

\$4.40

\$4.40

\$4.40

\$4.40

\$4.40

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\$4.40



GLENDAL
313 E BROADWAY
GLENDAL, CA 91205-9998
(800)275-8777

05/21/2024

04:53 PM

Product	Qty	Unit Price	Price
First-Class Mail® Letter	1		\$0.68
Sacramento, CA 95814			
Weight: 0 lb 1.00 oz			
Estimated Delivery Date			
Fri 05/24/2024			
Certified Mail®			\$4.40
Tracking #:			
9589 0710 5270 0409 9611 90			
Return Receipt			\$3.65
Tracking #:			
9590 9402 8701 3310 8064 50			
Affixed Postage			-\$8.73
Affixed Amount: \$8.73			
Total			\$0.00

Grand Total: \$0.00

Text your tracking number to 28777 (2USPS) to get the latest status. Standard Message and Data rates may apply. You may also visit www.usps.com USPS Tracking or call 1-800-222-1811.

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or scan this code with your mobile device,



or call 1-800-410-7420.

UFN: 053012-0711
Receipt #: 840-59130024-3-5711136-2
Clerk: 11

SENDER: COMPLETE THIS SECTION

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Hillside Foodmart, Inc.
c/o Kaleigh E. Thomas
KLINEDINST PC
Attorney
801 K Street, Suite 2100
Sacramento, CA 95814

9590 9402 8701 3310 8064 50

ie Number (Transfer from service label)



2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Signature

Agent

B. Received by (Printed Name)

K. Jennings

C. Date of Delivery

5-24-24

D. Is delivery address different from item 1? If YES, enter delivery address below: No

3. Service Type
- ☒ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Insured Mail
 - ☐ Insured Mail Restricted Delivery (over \$500)
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT

Domestic Mail Only

PAGA Notice #2

Sacramento, CA 95814
Abraham Chavez v. Hillside Foodmart, Inc.

Extra Services & Fees (check box, add fee as appropriate)	
☐ Return Receipt (hardcopy)	\$0.90
☐ Return Receipt (electronic)	\$0.00
☐ Certified Mail Restricted Delivery	\$17.00
☐ Adult Signature Required	\$40.00
☐ Adult Signature Restricted Delivery	\$0.00

Postage \$0.68

To Hillside Foodmart, Inc.

From c/o Kaleigh E. Thomas

KLINEDINST PC

Attorney

801 K Street, Suite 2100

Sacramento, CA 95814

PS Form 3800, January 2023 PSN 7530-02-000-9047

See Reverse for Instructions

EXHIBIT B

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

Jorge Narez, et al. v. Hillside Foodmart, Inc.

Superior Court of California for the County of Sacramento, Case No. 34-2021-00310762

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options, and how you can request to be excluded from the class action settlement, object to the class action settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class action settlement has been reached between Plaintiff Jorge Narez ("Plaintiff Narez"), Plaintiff Abraham Chavez ("Plaintiff Chavez") (together, "Plaintiffs"), and Defendant Hillside Foodmart, Inc. ("Defendant") (Plaintiffs and Defendant are collectively referred to as the "Parties") in the case entitled *Jorge Narez, et al. v. Hillside Foodmart, Inc.*, Sacramento County Superior Court, Case No. 34-2021-00310762 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former non-exempt or hourly-paid employees who were employed by Defendant in California at any time during the Class Period.

"Class Member" means a member of the Class.

"Class Period" means the period from November 3, 2017 through May 23, 2024.

"Class Settlement" means the settlement and resolution of all Released Class Claims (described in Section III.D below).

"PAGA Employees" means all current and former non-exempt or hourly-paid employees who were employed by Defendant in California at any time during the PAGA Period.

"PAGA Settlement" means the settlement and resolution of Released PAGA Claims (described in Section III.D below).

"PAGA Period" means the time period from May 21, 2023 through May 23, 2024.

II. BACKGROUND OF THE ACTION

On November 3, 2021, Plaintiff Narez filed a Class Action Complaint for Damages, thereby commencing a putative class action entitled *Jorge Narez v. Hillside Foodmart, Inc.* in the Superior Court of California for the County of Sacramento, Case No. 34-2021-00310762 ("Action") against Defendant for alleged violations of the California Labor Code. On May 21, 2024, Plaintiff Chavez provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant of his intent to pursue civil penalties under California Labor Code section 2698, *et seq.* ("PAGA") for Defendant's alleged violations of the California Labor Code ("PAGA Notice"). On October 6, 2025, Plaintiff Narez filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* ("First Amended Complaint"), thereby adding Plaintiff Chavez as an additional plaintiff and adding a claim for civil penalties pursuant to PAGA, on behalf of the State of California in connection with Plaintiff Chavez and aggrieved employees.

Plaintiffs allege that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide compliant wage statements, keep requisite payroll records, reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* ("PAGA"). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement and Release ("Agreement," "Settlement," or "Settlement Agreement").

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed [Settlement Administrator] as the administrator of the Settlement ("Settlement Administrator"), Plaintiffs Jorge Narez and Abraham Chavez as representatives of the Class ("Class Representatives"), and the following counsel as counsel for the Class ("Class Counsel"):

Arby Aiwarzian, Esq.
Yasmin Hosseini, Esq.
Ryan Slinger, Esq.
Harris Koepenick, Esq.
Lawyers for Justice, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount to be paid by Defendant is \$895,000.00 (the "Maximum Settlement Amount"). The portion of the Maximum Settlement Amount that is available for payment to Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Maximum Settlement Amount, less the following payments which are subject to approval by the Court: (1) attorneys' fees in an amount up to 35% of the Maximum Settlement Amount (i.e., \$313,250.00 if the Maximum Settlement Amount remains \$895,000.00) and reimbursement of litigation costs and expenses in an amount up to \$30,000.00 (together, "Attorneys' Fees and Costs") to Class Counsel; (2) Enhancement Payments in an amount up to \$7,500.00 each to Plaintiffs; (3) Settlement Administration Costs in an amount up to \$15,000.00 to the Settlement Administrator; and (4) the amount of \$135,000.00 allocated toward civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA Amount"). The PAGA Amount will be distributed 75% (\$101,250.00) to the LWDA ("LWDA Payment") and the remaining 25% (i.e., \$33,750.00) will be distributed to PAGA Employees ("PAGA Employee Amount").

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") based on the number of weeks (starting with Sunday and ending on Saturday) each Class Member was employed by Defendant as a non-exempt or hourly-paid employee in California during the Class Period or PAGA Period ("Workweeks"). The Settlement Administrator has divided the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class Period to yield the "Estimated Workweek Value," and multiplied each Class Member's individual Workweeks during the Class Period by the Estimated Workweek Value to arrive at each Class Member's Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion ("Settlement Class Members") will be issued payment of their final Individual Settlement Share, net of applicable taxes.

Each Individual Settlement Share will be allocated as 10% wages, which will be reported on an IRS Form W-2, and 90% penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099. Each Individual Settlement Share shall be subject to reduction for the employee's share of payroll taxes due on the wages portion of Individual Settlement Share. The employer's share of payroll taxes and contributions in connection with the wages portion of the Individual Settlement Shares ("Employer Taxes") will be paid by Defendant separately and in addition to the Maximum Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount ("Individual PAGA Payment"), based on the number of Workweeks of each PAGA Employee during the PAGA Period. The Settlement Administrator has divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the total number of Workweeks of all PAGA Employees during the PAGA Period to yield the "PAGA Workweek Value," and multiplied each PAGA Employee's individual Workweeks during the PAGA Period by the PAGA Workweek Value to

arrive at each PAGA Employee's Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below).

Each Individual PAGA Payment will be allocated as 100% penalties, which will be reported on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must contact the Settlement Administrator as soon as possible and provide your corrected and/or updated mailing address to the Settlement Administrator; this will make it more likely that you will receive any payments or other notices that may be issued to you.**

B. Your Workweeks Based on Defendant's Records

According to Defendant's records:

From November 3, 2017 through May 23, 2024 (i.e., Class Period), you are credited with <<____>> Workweeks.

From May 21, 2023 through May 23, 2024 (i.e., PAGA Period), you are credited with <<____>> Workweeks.

If you wish to dispute the Workweeks credited to you, you must submit a written dispute ("Workweeks Dispute") that: (a) contains the case name and number of the Action, (b) contains the Class Member's and/or PAGA Employee's full name, signature, address, telephone number, and last four (4) digits of Social Security Number, (c) clearly states that the Class Member disputes the number of Workweeks credited to him or her during the Class Period and/or PAGA Period and what he or she contends is the correct number to be credited to him or her, (d) attaches any documentation that he or she has to support the dispute, and (e) is submitted to the Settlement Administrator by mail at the specified address listed in Section IV.B below, postmarked **no later than [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment

As explained above, your estimated Individual Settlement Share and/or Individual PAGA Payment is based on the number of Workweeks credited to you. Under the terms of the Settlement:

Your Individual Settlement Share is estimated to be \$<<____>>. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share.

Your Individual PAGA Payment is estimated to be \$<<____>>.

Payments under the Settlement will only be distributed if the Court approves the Settlement and after the Settlement goes into effect. The settlement approval process may take multiple months. Your Individual Settlement Share and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Share and/or Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs and all Class Members who do not submit a timely and valid Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class Claims.

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiff Chavez, the State of California with respect to PAGA Employees, and PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to Plaintiff Chavez and the PAGA Employees.

"Released Class Claims" means all claims under state, federal, or local law, alleged in the Operative Complaint and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been asserted based on the facts pleaded in the Operative Complaint, arising during the Class Period, for: (1) failure to pay overtime wages under Labor Code Sec. 510, 1198, (2) failure to provide meal periods and/or pay meal period premiums under Labor Code Sec. 226.7, 512, (3) failure to provide rest periods and/or pay rest period premiums under Labor Code Sec. 226.7, (4) failure to pay minimum wages under Labor Code Sec. 1194, et seq., (5) failure to timely pay wages upon termination under Labor Code Sec. 203, (6) failure to timely pay wages during employment under Labor Code

Sec. 204, 210, (7) failure to provide accurate, itemized wage statements under Labor Code Sec. 226, (8) failure to keep requisite payroll records under Labor Code Sec. 1174(d), (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802, (10) violation of California's unfair competition law under Business and Professions Code Sec. 17200, including without limitation all related claims for compensatory damages, restitution, and other equitable relief, conversion, liquidated damages, punitive damages, and penalties.

“Released PAGA Claims” means all claims for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, et seq. that were alleged in the PAGA Notice and Operative Complaint or that reasonably could have been alleged based on the factual allegations in the PAGA Notice and Operative Complaint, arising during the PAGA Period, against any of the Released Parties, for violations of the California Labor Code, including inter alia sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and applicable Industrial Welfare Commission Wage Orders (including, inter alia, Nos. 4-2001 and 5-2001 for failure to pay all and overtime wages due, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to pay all minimum wages due, failure to pay all wages timely during employment, failure to pay all wages timely at the time of termination, failure to provide complete, accurate, or properly formatted wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses, including without limitation all related claims for compensatory damages, restitution, and other equitable relief, conversion, liquidated damages, punitive damages, and penalties.

“Released Parties” means Hillside Foodmart, Inc., Mi Rancho Supermercado including its two locations, Mi Rancho at 2355 Florin Rd., Sacramento, CA 95822 and Mi Rancho RC at 10669 Coloma Rd., Rancho Cordova, CA 95670, and any of their former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or PAGA Employees as well as each of their officers, directors (Ki Jin Song and Jinny Song), managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns or legal representatives.

E. Attorneys’ Fees and Litigation Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty five percent (35%) of the Maximum Settlement Amount (i.e., an amount of up to \$313,250.00 if the Maximum Settlement Amount is \$895,000.00) and reimbursement of litigation costs and expenses in an amount of up to Thirty Thousand Dollars (\$30,000.00) (together, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Maximum Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payments to Plaintiffs

Plaintiffs will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500.00) each (“Enhancement Payments”), in recognition of their services in connection with the Action and their broader individual release and waiver of claims. The Enhancement Payments will be paid from the Maximum Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to any Individual Settlement Payment and/or Individual PAGA Payment that Plaintiffs may be entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Fifteen Thousand Dollars (\$15,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, written Objections to the Class Settlement, and Workweeks Disputes, calculating and distributing payments, and preparing and issuing tax forms, and shall be paid from the Maximum Settlement Amount, subject to approval by the Court.

IV. WHEN WILL SETTLEMENT PAYMENT BE DISTRIBUTED?

Within thirty (30) days after the execution of an Order by the Court approving the settlement of this matter, Defendant will make a first deposit in the amount of \$223,750.00 and the Employer Taxes, into the settlement account to be established by the Settlement Administrator (“First Installment”). Within one hundred eighty-three (183) calendar days after the execution of an Order by the Court approving the settlement of this matter, Defendant will make a second deposit in the amount of \$223,750.00 into the settlement account to be established by the Settlement Administrator (“Second Installment”). Within three hundred sixty-five (365) calendar days after the execution of an Order by the Court approving the settlement of this matter, Defendant will make a third deposit in the amount of \$223,750.00 into the settlement account to be established by the Settlement Administrator (“Third Installment”). Within five hundred forty-eight (548) calendar days after the execution of an Order by the Court approving the settlement of this matter, Defendant will make a final deposit in the amount of \$223,750.00 into the settlement account to be established by the Settlement Administrator (“Fourth Installment”). Within

seven (7) calendar days of the full funding of the Maximum Settlement Amount, the Settlement Administrator will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members, (b) Individual PAGA Payments to PAGA Employees, (c) LWDA Payment to the LWDA, (d) Enhancement Payments to Plaintiffs, (e) Attorneys' Fees and Costs to Class Counsel, and (f) Settlement Administration Costs to itself (the Settlement Administrator).

“Effective Date” means the later of (a) the last day on which any appeal might be filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment - including expiration of any time to seek reconsideration or further review.

V. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims described in Section III.D above.

If you are a PAGA Employee, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above.

Class Members and PAGA Employees will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless they retain their own counsel, in which event they will be responsible for their own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a written request (“Request for Exclusion”), which must: (a) contain the case name and number of the Action, (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number, (c) contain a clear written statement indicating that the Class Member seeks exclusion from the Class Settlement, and (d) be submitted by mail to the Settlement Administrator, postmarked **no later than [Response Deadline]**, at the following address:

[Settlement Administrator]
[Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and validly Request for Exclusion will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. All PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will be issued an Individual PAGA Payment, regardless of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection to the Settlement Administrator. Alternatively, or in addition, you can present your objection orally at the Final Approval Hearing.

An objection must: (a) contain the case name and number of the Class Action, (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number, (c) contain a written statement of all grounds for the objection accompanied by any legal and factual support for such objection, (d) contain copies of any papers, briefs, or other documents upon which the objection is based, and (e) be submitted by mail to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

VI. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 8A of the Sacramento County Superior Court, located at Tani G. Cantil-Sakauye Courthouse, 500 G Street, Sacramento California 95814, on <<date>>, at <<time>>, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

The hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear through the Department's Zoom link (<https://saccourt-ca-gov.zoomgov.com/j/16108301121>) or phone number (Telephone: (833) 568- 8864 / ID: 161 0830 1121) if you wish to. Instructions are provided by the Court at: <https://www.saccourt.ca.gov/civil/complex-civil-cases.aspx>.

VII. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other imaged documents filed in the Action for a fee by visiting the Office of the Clerk of the Court, located at 720 9th Street, Sacramento, California 95814, during business hours, or online by visiting the following website: <https://services.saccourt.ca.gov/PublicCaseAccess/Civil/SearchByCaseNumber>.

If the Court grants final approval of the Settlement, the Settlement Administrator will post the Court's order granting final approval of the settlement and judgment on its website: [Settlement Administrator Website].

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.