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THRIFTY PAYLESS, INC. and
RITE AID CORPORATION
17

18 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
19 **COUNTY OF LOS ANGELES**

20 ELARIO SANDOVAL, an individual,
21 on behalf of himself and all others
similarly situated,

22 Plaintiffs,

23 vs.

24 THRIFTY PAYLESS, INC., a
25 California corporation; RITE AID
CORPORATION, a Delaware
26 corporation; and DOES 1 through
100, inclusive,

27 Defendants.
28

Case No.: 20STCV07120

Assigned for all purposes to Hon. Kenneth R.
Freeman, Dept. 14

**AMENDED CLASS ACTION AND
PRIVATE ATTORNEYS GENERAL
ACT SETTLEMENT AGREEMENT
AND RELEASE**

Action Filed: February 25, 2020
Trial Date: None set

1 This Class Action and Private Attorneys General Act (“PAGA”) Settlement
2 Agreement and Release (hereinafter “**Settlement**” or “**Agreement**”) is made and entered
3 into by and between Plaintiffs Elario Sandoval and Sanjiv Ahuja (hereinafter collectively,
4 “**Plaintiffs**” or “**Representative Plaintiffs**”), individually and on behalf of all
5 Participating Class Members (as defined in Paragraph 10(e)), on the one hand, and
6 Defendants Thrifty Payless, Inc. (“TPI”) and Rite Aid Corporation (“RAC”) (collectively,
7 “**Defendants**”), on the other hand, (collectively, the “**Parties**”), and subject to the
8 approval of the Court.

9
10 1. On February 25, 2020, Plaintiff Elario Sandoval filed his class action Complaint in
11 the Superior Court of California, County of Los Angeles entitled “*Elario Sandoval*
12 *v. Thrifty Payless, Inc., et al.*,” pending as Case No. 20STCV07120. He
13 subsequently filed a First Amended Complaint on or about August 19, 2021. On
14 October 24, 2022, Plaintiff Elario Sandoval and Sanjiv Ahuja filed a Second
15 Amended Complaint (collectively with the original Complaint and First Amended
16 Complaint, the “**Action**”), adding (1) Ahuja as a representative plaintiff and (2) a
17 representative claim under the Private Attorney General Act (“PAGA”) premised
18 on the same allegations in the original Complaint and First Amended Complaint.

19
20 2. The Action asserts the following claims: (1) failure to reimburse employee
21 expenses; and (2) unfair competition, on behalf of Representative Plaintiffs and all
22 individuals who worked for Defendants as a Shift Supervisor, Assistant Store
23 Manager, and/or Store Manager in California at any time on or after four years
24 before the filing of the Complaint. The Action also asserts a representative claim
25 under PAGA on behalf of Representative Plaintiffs and all individuals who worked
26 for Defendants as a Shift Supervisor, Assistant Store Manager, and/or Store
27 Manager in California at any time on or after August 8, 2021, premised on the
28 same allegations in the original Complaint and First Amended Complaint.

- 1 3. In the Action, Representative Plaintiffs allege, *inter alia*, that (1) Defendants failed
2 to reimburse expenses incurred by the Class Members in the course of their
3 employment duties for vehicle usage, mileage and cell phone (or similar device)
4 usage pursuant to California Labor Code section 2802 and 2698 *et seq.*, and (2)
5 Defendants obtained valuable property, money, and services through unfair,
6 unlawful and fraudulent business practices by failing to reimburse the foregoing
7 expenses. Plaintiffs seek to recover damages, restitution, penalties and other relief,
8 back four years prior to the filing of the Action, *i.e.*, February 25, 2016.
9
- 10 4. The Parties participated in a mediation session with highly-regarded mediator
11 Steve Rottman on August 4, 2022. During the mediation session, the Parties
12 reached a settlement resolving this Action including a settlement of potential
13 claims under California Labor Code section 2698, *et seq.*, premised on the same
14 allegations in the Action. This claim was added in the Second Amended
15 Complaint filed on October 24, 2022.
16
- 17 5. Under mediation privilege and a stipulation that discovery protections afforded by
18 the attorney work-product doctrine were not waived, Defendants provided
19 analyses concerning the Settlement Class performed by a well-regarded litigation
20 consulting firm retained by Defendants. Furthermore, counsel for the Parties
21 exchanged additional documents and conferred concerning this information, the
22 merits of the Parties' claims and/or defenses, and other issues relevant to reaching
23 a settlement.
24
- 25 6. Class Counsel also spoke with multiple putative class members on whose behalf
26 this Action was brought to better inform their analysis of the case.
27
- 28 7. Representative Plaintiffs and their counsel have conducted sufficient investigation

1 and analysis to evaluate the strengths and weaknesses of their claims and
2 Defendants' defenses and to recommend this Settlement to the Class Members
3 and the Court.

- 4
5 8. Class Counsel has fully advised Representative Plaintiffs of this Agreement and
6 represents that they approve of and consent to the terms herein.

7
8 **TERMS OF SETTLEMENT**

9
10 NOW, THEREFORE, in consideration of the mutual covenants, promises and
11 warranties set forth herein, the Parties agree, subject to the Court's approval, as follows:

- 12
13 9. Amending the Complaint. As part of the settlement of this Action and for purposes
14 of this settlement only, the Parties filed a stipulation allowing Plaintiffs to file the
15 Second Amended Complaint to add a second class representative, Sanjiv Ahuja,
16 and to add a claim under the Private Attorneys General Act ("PAGA") for
17 allegations arising from the theories of liability in the original Complaint and First
18 Amended Complaint regarding the reimbursement of expenses incurred by
19 Participating Class Members during the course of employment for vehicle usage,
20 mileage and cell phone (or similar device) usage (the "**Stipulation**"). The forms of
21 the Stipulation and Order (signed by the Court) and Second Amended Complaint
22 are attached hereto as **Exhibit A**. The Second Amended Complaint is otherwise
23 identical to the First Amended Complaint. If this Agreement does not become final
24 for any reason, the Parties' willingness to stipulate to the filing of the Second
25 Amended Complaint shall have no bearing on, and will not be admissible in
26 connection with, these issues in the Action or any subsequent proceeding. If this
27 Agreement does not become final, neither the Parties nor their counsel will offer or
28 refer to this Stipulation for purposes of settlement in any subsequent proceeding in

the Action or any other action.

10. Definitions of Certain Settlement Terms:

- a. **“Person”** shall have the meaning set forth in California Government Code Section 17.
- b. **“Settlement Class”**: Those individuals who, according to TPI’s personnel and payroll records, worked for TPI as a Shift Supervisor, Assistant Store Manager, and/or Store Manager in California as to any time during the period of February 25, 2016 through the date of the Court’s order granting preliminary approval of this Settlement. This Settlement Class shall exclude any individual who (i) previously signed an individual release that encompasses all claims contained in this Action and/or Release, and (ii) is a party to any civil action alleging all of the claims contained in the Action.
- c. **“Class Period”**: February 25, 2016 through the date of the Court’s order granting Preliminary Approval of this Settlement.
- d. Each individual member of the Settlement Class shall be referred to as a **“Class Member.”**
- e. **“Participating Class Members”**: All Members of the Settlement Class except those who timely submit a valid Request for Exclusion (as defined in Paragraph 33) from this Settlement pursuant to the process described in this Agreement. For the purposes of the release of PAGA claims, “Participating Class Members” also includes Class Members employed during the PAGA Period, even if they submit a valid Request for Exclusion.

- 1 f. **“PAGA Period”**: August 8, 2021, through the date of preliminary approval
2 of this Settlement.
- 3
- 4 g. **“PAGA Aggrieved Employees”**: Those individuals who, according to
5 TPI’s personnel and payroll records, worked for TPI as a Shift Supervisor,
6 Assistant Store Manager, and/or Store Manager in California at any time
7 during the PAGA Period (*i.e.*, August 8, 2021 through the date of the
8 Court’s order granting preliminary approval of this Settlement).
- 9
- 10 h. **“Class Counsel”**: Mike Arias, Alfredo Torrijos, and Craig Momita of Arias
11 Sanguinetti Wang & Torrijos LLP.
- 12
- 13 i. **“Notice”**: The notice form to Class Members, substantially in the form
14 attached hereto as **Exhibit B**, which will, among other things, notify Class
15 Members of the preliminary approval of the settlement and scheduling of
16 the final approval hearing.
- 17
- 18 j. **“Effective Date”**: The Settlement embodied in this Agreement shall
19 become effective upon execution by all Parties, Class Counsel, Defendants’
20 counsel, and Final Approval from the Court, following Notice to Class
21 Members and a formal fairness hearing and entry of a final judgment by the
22 Court in accordance with and upholding its terms herein.
- 23
- 24 k. **“Final Approval”**: The date of the Court’s order granting final approval of
25 the Settlement.
- 26
- 27 l. **“Administrator”**: The administrator responsible for administering this
28 settlement, *Simpluris*.

11. Settlement of the Action: As detailed in Paragraph 36 below, all causes of action alleged in this Action—including any claims, damages, or causes of action that could have been brought based on the factual allegations in the Action (including for reimbursement of expenses incurred during the course of employment duties for vehicle usage, mileage and cell phone (or similar device) usage) under any provision of California and/or federal law—shall be settled and compromised in full and without exception as between each Participating Class Member and Defendants, subject to the terms and conditions set forth in this Agreement and the approval of the California Superior Court, County of Los Angeles.

12. Settlement Amount:

a. **“Gross Settlement Amount”:** In consideration for this Settlement and a release by the Participating Class Members, Defendants have agreed to pay the sum of One Million Two Hundred and Ninety Thousand Dollars and Zero Cents (\$1,290,000.00). The Gross Settlement Amount is the maximum amount that Defendants are required to pay for any and all purposes under this Agreement. In no event shall any part of the Gross Settlement Amount revert to the Defendants.

b. **“Net Settlement Amount”:** The Gross Settlement Amount of One Million Two Hundred and Ninety Thousand Dollars and Zero Cents (\$1,290,000.00) less the following deductions:

i. The sum of Ten Thousand Dollars and Zero Cents (\$10,000.00) total for enhancement payments to Representative Plaintiffs under Paragraph 16 or such other lesser amount as approved by the Court;

- 1 ii. The sum of attorneys' fees to Class Counsel under Paragraph 18(a),
2 which shall not exceed Four Hundred Twenty-Five Thousand Seven
3 Hundred Dollars and Zero Cents (\$425,700.00) (33 % of the Gross
4 Settlement Amount);
- 5
- 6 iii. The sum of costs expended in litigating this matter which shall be
7 awarded to Class Counsel under Paragraph 18(b), which shall not
8 exceed Fifty Thousand Dollars and Zero Cents (\$50,000.00);
- 9
- 10 iv. The administrative expenses approved by the Court pursuant to this
11 Agreement, estimated at Twenty Five Thousand Dollars and Zero
12 Cents (\$25,000.00); and
- 13
- 14 v. Thirty Thousand Dollars and Zero Cents (\$30,000.00), which is 75%
15 of the Forty Thousand Dollars and Zero Cents (\$40,000.00)
16 designated for the release of Representative Plaintiffs' and each
17 PAGA Aggrieved Employees' claims under the PAGA, and which
18 will be paid to the California Labor and Workforce Development
19 Agency.
- 20
- 21 vi. **"Net PAGA Settlement Amount"**: Ten Thousand Dollars and Zero
22 Cents (\$10,000.00), which is 25% of the Forty Thousand Dollars and
23 Zero Cents (\$40,000.00) designated for the release of Representative
24 Plaintiffs' and each PAGA Aggrieved Employees' claims.
- 25

- 26 13. Settlement Formula and Distribution: Subject to the conditions of this Agreement,
27 Participating Class Members shall be entitled to a share (the **"Settlement Share"**)
28 of the Net Settlement Amount. The Net Settlement Amount is comprised of two

parts: (1) the “**Net PAGA Settlement Amount;**” and (2) “**the Net Class Settlement Amount**” (*i.e.*, the entire Net Settlement Amount, less the Net PAGA Settlement Amount). The Net Class Settlement Amount is to be divided among all Participating Class Members as follows: (i) each Class Member will be designated as either a Store Manager, Assistant Store Manager, or Shift Supervisor based on their last position held; (ii) the total months worked in the Class Period in any one of the three foregoing positions covered by this Agreement will be calculated by dividing the total days in such positions during the Class Period by 30; (iii) Store Managers and Assistant Store Managers shall be paid 5x per month, and Shift Supervisors 1x per month; (iv) “x” will be calculated as follows: Net Settlement Amount divided by the sum of 5 times the total months worked by Store Managers and Assistant Store Managers and 1 times the total months worked by Shift Supervisors. The allocation of the Net PAGA Settlement Amount to each PAGA Aggrieved Employee, regardless of any opt-out of objection, shall be calculated pro rata based on the total number of pay periods each PAGA Aggrieved Employee worked during the PAGA Period.

14. Reference to TPI’s Records: The number of days, months and/or pay periods worked by Class Members as Shift Supervisors, Assistant Store Managers, and/or Store Managers in California during the Class Period will be determined by reference to TPI’s records. TPI’s records shall be presumptively correct for determining who the Class Members are and the number of days, months and/or pay periods worked by the Class Members as a Shift Supervisor, Assistant Store Manager, and/or Store Manager in California during the Class Period.

15. Allocation of Settlement Payments: One Hundred Percent (100%) of all Settlement Share payments to Participating Class Members shall be considered non-wages for the settlement of non-wage reimbursements of business expenses,

1 interest claims, statutory and civil penalty claims, and for attorneys' fees.

2 Participating Class Members will receive from the Administrator an IRS Form
3 1099 for these payments, in accordance with and if required by IRS requirements,
4 and will be responsible for correctly characterizing this compensation for tax
5 purposes and to pay any taxes owing, if any.

6
7
8 16. Service Payment Award to Representative Plaintiffs: From the Gross Settlement
9 Amount Representative Plaintiffs will be paid up to Five Thousand Dollars and
10 Zero Cents (\$5,000.00) each as a service award for their time and effort as
11 Representative Plaintiffs. If the Court approves a Representative Plaintiff's
12 Service Payment for less than the amount requested, the Administrator will retain
13 the remainder in the Net Settlement Amount. These service payment awards are in
14 addition to their rights to payments provided in this Agreement. In addition, the
15 Representative Plaintiffs will execute a general release of all known and unknown
16 claims, substantially in the form attached hereto as **Exhibit C** in exchange for their
17 service payment awards.

18
19 a. The Representative Plaintiffs will receive an IRS Form 1099 for their
20 service award payments and will be responsible for correctly characterizing
21 this compensation for tax purposes and to pay any taxes owing.

22
23 b. The Representative Plaintiffs hereby indemnify and hold Defendants
24 harmless for and against any action or liability of Representative Plaintiffs,
25 including but not limited to any costs and/or legal fees incurred by
26 Defendants if any tax authority should dispute the characterization of this
27 compensation.

c. The Representative Plaintiffs shall not be entitled to the payment set forth in the Subparagraph above unless they provide their Social Security number or tax identification number to the Administrator.

17. PAGA Payment: Subject to Court Approval, from the Gross Settlement Amount, a payment of Thirty Thousand Dollars and Zero Cents (\$30,000.00) will be made to the California Labor and Workforce Development Agency ("LWDA"), which is the payment to the State of California for its share of civil penalties pursuant to the Labor Code Private Attorneys General Act, Cal. Labor Code Section 2698, *et seq.* ("PAGA"), approved by the Court. The Thirty Thousand Dollars and Zero Cents (\$30,000.00) payment is 75% of Forty Thousand Dollars and Zero Cents (\$40,000.00), which is the amount that the Parties have designated for the release of claims under PAGA. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. A PAGA Aggrieved Employee may not Opt-Out of releasing his or her PAGA Claims or from receiving his or her allocated share of the Net PAGA Settlement Amount. Prior to Final Approval, Class Counsel will submit the proposed settlement agreement to the LWDA pursuant to Lab. Code §2699, subd. (l)(2).

18. Attorneys' Fees and Costs

a. Class Counsel shall submit an application for an award of attorneys' fees not to exceed Four Hundred Twenty-Five Thousand Seven Hundred Dollars and Zero Cents (\$425,700.00) which is 33% of the Gross Settlement Amount. The amount not to exceed Four Hundred Twenty Five Thousand Seven Hundred Dollars and Zero Cents (\$425,700.00) will cover all work

performed to date and all work to be performed in connection with the approval by the Court of this Agreement and the final conclusion of this Action. Defendants agree not to oppose any fee application that is not in excess of the amount specified in this Paragraph. If the Court approves a Class Counsel attorney fees payment and/or a Class Counsel costs less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount.

- b. Class Counsel shall submit an application for the reimbursement of costs and expenses in an amount not to exceed Fifty Thousand Dollars and Zero Cents (\$50,000.00). The amount not to exceed Fifty Thousand Dollars and Zero Cents (\$50,000.00) will cover all costs and expenses incurred to date or to be incurred. This amount shall come from the Gross Settlement Amount. Defendants agree not to oppose any cost and expense application that is not in excess of the amount specified in this Paragraph.

19. Date of Defendants' Payment to Administrator: Defendants shall pay the Administrator all amounts awarded and approved by the Court, for payment to the Settlement Class, to the LWDA, the service payment awards, and for attorneys' fees and costs on the "**Payment Date**," which shall be the latest of the following occurrences:

- a. Sixty (60) calendar days following the entry of a Judgment finally approving this Settlement, provided no objection is made to this Settlement prior to or at the hearing for final approval of this Settlement, or if any objection is made, but is resolved formally and withdrawn prior to the final approval hearing of this Settlement.

1 b. If an objection to this Settlement is made before or at the hearing for final
2 approval (that is not resolved prior to the hearing and is not formally
3 withdrawn), fourteen (14) calendar days after the deadline to file a notice of
4 appeal under California Rules of Court 8.104 lapses, provided no appeal is
5 filed.

6
7 c. If an appeal has been taken or sought, fourteen (14) calendar days after the
8 date the Judgment is finally affirmed by an appellate court with no
9 possibility of subsequent appeal or other judicial review, or the date the
10 appeal(s) or other judicial review are finally dismissed (and upholding the
11 Settlement) with no possibility of subsequent appeal or other judicial
12 review.

13
14 20. Date of Administrator's Payment to Recipients: Within ten (10) business days of
15 the Payment Date, the Administrator shall distribute all payments due under the
16 Settlement, including the checks for payments to each Participating Class Member,
17 to Representative Plaintiffs, to the LWDA, and Class Counsel.

18
19 21. No Further Payments: Defendants shall have no obligation to pay or provide any
20 further consideration to any Class Member by reason of this Agreement or because
21 of the foregoing payments, including but not limited to contributions to any 401(k)
22 or other retirement or employee benefit plan, vacation or sick pay, etc. Any
23 payments made pursuant to this Agreement will not trigger any obligation of
24 Defendants to make any withholding for 401(k) contributions or to make any
25 contributions to any 401(k) or similar plan. Nor will it trigger any obligation of
26 Defendants to make any contributions to any employee welfare benefit plan for the
27 benefit of any Class Member who is a member of any union.

22. Certification for Settlement Purposes Only: As part of this Agreement and for purposes of this Settlement only, the Parties stipulate to the certification of the Settlement Class. If this Agreement does not become final for any reason, the Parties' willingness to stipulate to class certification as part of this Settlement shall have no bearing on, and will not be admissible in connection with, the issue of whether any class should be certified in this case or in any other pending or future lawsuit. The Parties and their counsel will not offer or make reference to this provisional stipulation to class certification for purposes of this Settlement in any subsequent proceeding in this Action (except for purposes of having this Agreement approved by the Court) or in any other action.

23. Parties' Contentions: In entering into this Agreement, Defendants do not admit to any liability or wrongdoing of any kind associated with the asserted claims, and deny that this Action is appropriate for class treatment. Defendants further deny that Rite Aid Corporation employed any Class Member in California. In entering into this Agreement, Representative Plaintiffs believe that they have filed a meritorious action and that class certification is appropriate.

24. Settlement Fair, Reasonable, and Adequate: Representative Plaintiffs and Class Counsel are of the opinion that the terms set forth in this Agreement are fair, reasonable, and adequate and this Agreement is in the best interest of the Settlement Class in light of all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendants, and numerous potential appellate issues. Defendants and their counsel also agree that this Agreement is fair and is in the best interests of the Settlement Class and each Class Member.

THE ADMINISTRATOR

25. Selection of Administrator: Subject to the Court's approval, Simpluris shall be retained as the Administrator.
26. Class List: Within thirty (30) calendar days of the date the Court enters an order granting preliminary approval of the Settlement (the "**Preliminary Approval Date**"), Defendants shall provide to the Administrator a list containing, for each Class Member, the following information: (1) name; (2) last known address; (3) number of months worked by each individual as a Shift Supervisor, Assistant Store Manager, or Store Manager in California during the Class Period; (4) number of pay periods worked by each individual as a Shift Supervisor, Assistant Store Manager, or Store Manager in California during the PAGA Period; (5) the last position held by the Class Member; and (6) Social Security number.
27. Administrator's Duties: The Administrator's duties will include preparing, printing, and mailing the Notice, in substantially the form attached hereto as **Exhibit B** to Class Members and will translate the Settlement Notice into Spanish (the Parties make no representations regarding the accuracy of any translation); conducting any necessary verifications of Social Security numbers; updating addresses contained in the Class List by way of search of the National Change of Address registry before the initial mailing of the Notice; re-mailing any Notice Packet that is returned by the U.S. Postal Service as non-deliverable but with a forwarding address; conducting a skip-trace on any Notice returned by the U.S. Postal Service as non-deliverable, as needed, and re-mailing the Notice to any new address obtained by way of skip-trace; reviewing and processing disputes (as defined in Paragraph 35), Requests for Exclusion (as defined in Paragraph 33), and objections to the Settlement (as defined in Paragraph 34); providing Class Counsel

1 and Defendants' Counsel with periodic status reports about the delivery of the
2 Notice, disputes, Requests for Exclusions, and objections to the Settlement; issuing
3 the checks to effectuate the payments due under the Settlement; mailing reminder
4 postcards to all Participating Class Members who have been issued checks but have
5 not cashed all checks issued to them within ninety (90) calendar days after the
6 checks' issuance; providing a report listing the amounts of payments made to each
7 Participating Class Member; issuing any tax reports required under this Settlement;
8 and otherwise administering the Settlement pursuant to this Agreement. Settlement
9 checks will be valid for one hundred and eighty (180) days. At the end of that 180-
10 day period, settlement checks will be void. The amounts of any voided Settlement
11 Share check shall be distributed to the Controller of the State of California to be
12 held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et seq.*
13 for the benefit of those Settlement Class Members who did not cash their checks,
14 until such time that they claim their property. The Parties agree that this
15 disposition results in no "unpaid residue" under California Civil Procedure Code §
16 384, because the entire Net Settlement Fund will be paid out to Settlement Class
17 Members, whether or not they all cash their checks. Therefore, Defendants shall
18 not be required to pay any interest on the funds distributed to the Controller.

- 19
20 28. Qualified Settlement Fund: The Parties agree that the settlement funds will be
21 placed in an account held by the Administrator to effectuate the terms of this
22 Agreement and the orders of the Court. The Parties agree that the settlement fund
23 (1) shall be established pursuant to an order of the Court prior to the receipt of any
24 monies from Defendants; (2) that it shall be established to resolve and satisfy the
25 contested claims that have resulted, or may result, from the matters that are the
26 subject of this Action and that are released by this Settlement; and (3) that the fund
27 or account that is established and its assets are segregated and shall be segregated
28 (within a separately established fund or account) from the assets of Defendants and

all related other persons. The Administrator shall be responsible for establishing, administering and otherwise operating the settlement fund, including the preparation and filing of federal, state, and local tax returns. The Administrator shall also be responsible for preparing and issuing all checks to the Participating Class Members, Representative Plaintiffs, Class Counsel, the employer's share of any payroll taxes and all checks for claims administration costs and expenses that are approved by the Court and any other payments included in this Agreement and approved by the Court. Checks shall be accompanied by a cover letter or other notice clearly indicating the case from which the settlement relates and how to obtain additional information.

29. Administrator's Findings: The Administrator shall report, in summary or narrative form, the substance of its findings regarding the notice and claims process, and, in that regard, the Administrator's approval of claims shall be conclusive and binding. The Administrator shall be granted reasonable access to TPI's records to perform its duties. All disputes relating to the Administrator's ability and need to perform its duties shall be referred, if necessary, to the Court, which will have continuing jurisdiction over the terms and conditions of this Agreement. The Administrator submits to the jurisdiction of the Court in connection with its appointment as Administrator.

30. Administrator's Reports: The Administrator shall provide weekly reports to counsel concerning receipt of Class Members' requests for exclusion and returned mail.

ADMINISTRATION OF SETTLEMENT

31. Notice: Within fourteen (14) calendar days of receipt of the Class List, the Notice, in the form attached hereto as **Exhibit B**, as approved by the Court, shall be sent by the Administrator to each Class Member. The Notice shall be sent by first class mail to each Class Member's current or last known address on file with TPI, following an updated review of the National Change of Address Registry by the Administrator.

a. Returned Notice: For Notices returned from this mailing with forwarding addresses affixed thereto, the Administrator will re-mail the Notice to the forwarding address within ten (10) days of receipt of the returned mail. For Notices returned without a forwarding address, the Administrator will utilize reasonable and customary skip-tracing efforts to locate an updated address, and promptly perform a single re-mailing to such updated address, if found. If a re-mailing is unsuccessful, the Administrator will take reasonable and customary steps to identify the correct address for that Class Member and re-mail the Notice.

b. If a Class Member receives a re-mailed Notice (as specified herein), he or she shall have an additional ten (10) days from the date of re-mailing to Opt-Out, Object, or a submit a dispute as detailed in Paragraph 35.

c. At least ten (10) days prior to the final approval hearing, the Administrator shall provide the Court with a declaration of due diligence and proof of mailing with regard to the mailing of the Notice, and all attempts to locate Class Members. Class Counsel shall be responsible for working with the Administrator to timely file the declaration of due diligence.

32. Administrator's Responsibility for Payment: All settlement checks will be valid for one hundred eighty (180) calendar days. At the end of that 180-day period, settlement checks will be cancelled, and the funds associated with such cancelled checks shall be considered unpaid, unclaimed, or abandoned cash residue pursuant to California Code of Civil Procedure Section 384 ("Unpaid Residue"). Within ten (10) calendar days after the expiration of the 180-day period, the Unpaid Residue plus any accrued interest that has not otherwise been distributed, shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et seq.*, for the benefit of those Settlement Class Members who did not cash their checks, until such time that they claim their property. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, because the entire Net Settlement Fund will be paid out to Settlement Class Members, whether or not they all cash their checks. Therefore, Defendants shall not be required to pay any interest on the funds distributed to the Controller.

33. Exclusions:

a. The Notice shall describe the process for Class Members to submit a request for exclusion ("**Request for Exclusion**") from this Settlement. Requests for Exclusion must contain the Class Member's name, current address, a statement that he/she wishes to exclude himself/herself from the Settlement, and conform with any other requirements set forth in the applicable Notice. Except as provided in sub-paragraph (e) below, Class Members who submit a Request for Exclusion are not entitled to any Settlement Payment under this Agreement.

b. Any Class Member who does not mail or fax a valid Request for Exclusion

1 to the Administrator that is postmarked or fax-stamped within forty-five
2 (45) calendar days of the date the Notices are sent to the Settlement Class
3 shall be bound by the terms of this Agreement and shall have released the
4 Released Claims (as defined in Paragraph 36), even if he/she files an
5 objection to the Settlement.

6
7 c. A Class Member who has submitted a Request for Exclusion may withdraw
8 or revoke his/her Request for Exclusion in writing provided that the writing
9 is mailed or faxed to the Administrator and postmarked or fax-stamped no
10 later than five (5) days prior to the Final Approval hearing.

11
12 d. No Class Member will be permitted to pursue a claim released by this
13 Settlement on the grounds that a Request for Exclusion was submitted
14 timely and lost, destroyed, misplaced or otherwise not received by the
15 Administrator unless the Class Member has adequate proof that the Request
16 for Exclusion was mailed timely certified and return receipt requested or has
17 equivalent proof of timely delivery.

18
19 e. A PAGA Aggrieved Employee may not Opt-Out of releasing his or her
20 PAGA Claims or from receiving his or her allocated share of the Net PAGA
21 Settlement Amount.

22
23 34. Objections to the Settlement:

24
25 a. Class Members who do not submit a timely Request for Exclusion shall be
26 permitted to object to the Settlement before final approval.

27
28 b. Any written objections shall state each specific objection and any legal and

1 factual support for each objection. The objection must also state the Class
2 Member's full name, address, and the dates of his/her employment at TPI.
3 To be valid and effective, any objections to approval of the Settlement must
4 be submitted to the Administrator no later than forty-five (45) calendar days
5 after the Notices are sent to the Settlement Class.

- 6
- 7 c. If the Court rejects the Class Member's objection, the Class Member will
8 still be bound by the terms of this Agreement including the release.
- 9
- 10 d. Class Members (or their representative(s)) may also appear at the time of the
11 Final Approval Hearing to object to the Settlement, regardless of whether
12 they filed a written objection. The Court will hear from any Class Members
13 who attend the Final Approval Hearing and asks to be heard by the Court.
- 14
- 15 e. Class Members may appear remotely at the Final Approval Hearing by
16 using LACourtConnect. Class Members can schedule a remote appearance
17 at <https://my.lacourt.org/laccwelcome>.
- 18

19 35. Handling of Disputes: Class Member disputes may arise from the following
20 information: (1) the last job position held during the Class Period; (2) the number
21 of months worked as a Shift Supervisor, Assistant Store Manager, or Store
22 Manager in California during the Class Period and/or (3) in the case of a late claim
23 postmarked or received after the deadline date, whether a sufficient showing of
24 hardship was made to allow for acceptance of the late claim.

- 25
- 26 a. Counsel for the Parties will make a good faith effort to resolve all disputes.
27 If the dispute is not thereby resolved, it will be referred to the Administrator,
28 who will talk to such persons and representatives from Defendants

telephonically, and issue a non-appealable, final decision as to the total amount due, if any, to the Class Member.

- b. Any such disputes must be made in a writing that is mailed or faxed to the Administrator, postmarked or fax-stamped within forty-five (45) calendar days after the Notices are sent to the Settlement Class. To be valid, a dispute must identify the alleged inaccuracy and explain why the Class Member believes the information is inaccurate. It must also contain the Class Member's name, job positions held during the Class Period, number of months worked in relevant job positions during the Class Period.

RELEASE OF CLASS CLAIMS

36. Release of Claims: Upon the Final Approval by the Court of this Agreement, and except as to such rights or claims as may be created by this Agreement, each Participating Class Member fully releases and discharges Defendants, their present, former, and future parents, subsidiaries, affiliates, predecessors, successors and assigns, and each of their respective past and present members, shareholders, directors, officers, employees, agents, servants, registered representatives, insurers and attorneys (collectively hereafter, the "**Released Parties**") from any and all claims, debts, liabilities, demands, claims for restitution or injunctive relief, obligations, guarantees, costs, expenses, attorneys' fees, damages, liquidated damages, penalties, interest, actions, causes of action and any other relief (of whatever kind or nature, whether known or unknown), from February 25, 2016 through the date the Court grants Final Approval, that were or reasonably could have been alleged based on the claims, facts and/or allegations contained in the Action (including the Second Amended Complaint), including *inter alia*, reimbursement of expenses incurred during the course of employment for vehicle

1 usage, mileage and cell phone (or similar device) usage. This includes but is not
2 limited to Plaintiffs' claims for any violations of California, federal, and/or any
3 other law pertaining to Defendants' alleged failure to reimburse employee expenses
4 for vehicle usage, mileage and/or cell phone (or similar device) use. This release
5 includes but is not limited to claims for violations of California Labor Code
6 Section 2802 and California Business and Professions Code Section 17200, *et seq.*
7 (to the extent based on the same protections as provided by California Labor Code
8 Section 2802). This release further includes claims for violations of California
9 Labor Code Sections 2698 *et seq.* to the extent based on the same protections
10 provided by Labor Code Section 2802 and included in Plaintiffs' PAGA Notice to
11 the LWDA. All claims released and referenced in this Paragraph 36 are
12 collectively referred to as "**Released Claims.**"

13
14 Each Participating Class Members' Release does not extend to any claims not
15 covered by the preceding Paragraphs, including specifically any claims or actions
16 to enforce this Agreement, or to any claims for vested benefits, unemployment
17 benefits, disability benefits, social security benefits, workers' compensation
18 benefits that arose at any time, or based on occurrences outside the Class Period.

19
20 In order to achieve a full and complete release of the Released Parties as to the
21 release directly above, the Representative Plaintiffs and each Participating Class
22 Member acknowledge that the release directly above is also intended to include in
23 its effect all such Released Claims listed above whether or not the Representative
24 Plaintiffs and each Class Member know or suspect them to exist.

25
26 The Parties also agree that the Notice of Settlement will contain the following
27 sentence: "To the extent any of the claims alleged in the cases of *Dennis Gutierrez,*
28 *et al. v. Rite Aid Corporation, et al.*, San Bernardino Superior Court, Case No.

1 CIVSB2210918 (subsequently transferred to Los Angeles Superior Court, Case
2 No. 23STCV05365), *Cherie Russell, et al. v. Thrifty Payless, Inc., et al.*, Siskiyou
3 Superior Court, Case No. SC-CVCV-21-648 (consolidated with Case No. SC-
4 CVCV-21-935, and thereafter referred to as Case Nos. SCCV-CVCV-2021-648
5 and SCCV-CVCV-2021-935 on the caption page of Plaintiff's Second Amended
6 Consolidated Complaint), and/or *Lili Gevorkian v. Rite Aid Corporation*, Los
7 Angeles Superior Court, Case No. 23STCV03824 are Released Claims, as defined
8 in this Section of this Notice, those claims are also being released by this
9 Settlement."

10
11 The Settlement shall be binding on, and have *res judicata* and preclusive effect in,
12 the Action and any and all other pending and future lawsuits or other proceedings
13 encompassed by the Release above, maintained by or on behalf of the
14 Representative Plaintiffs or any Participating Class Members. The Parties agree
15 that the Release may be raised as a complete defense to and will preclude any
16 action or proceeding based on any of the Released Claims.

17
18 The release of the Released Claims shall be of no force and effect if the Qualified
19 Settlement Fund is not fully funded by Defendants.

20
21 37. Subsequent Actions: If any Class Member initiates a new lawsuit against
22 Defendants based on any claim released under this Agreement, and the Court
23 invalidates the release, any recovery by the Class Member shall be offset by the
24 amount, if any, paid to the Class Member in connection with this Settlement. The
25 language in this Paragraph shall be included in the Notice of Settlement.

1 **DUTIES OF THE PARTIES PRIOR TO PRELIMINARY APPROVAL**

2

3 38. The Parties shall promptly submit this Agreement to the California Superior Court,

4 County of Los Angeles in support of the motion for preliminary approval and

5 determination by the Court as to its fairness, adequacy, and reasonableness. The

6 Parties shall also apply to the Court for the entry of a preliminary order

7 substantially in the form attached hereto as **Exhibit D**. Class Counsel shall submit

8 the preliminary approval papers to Defendants' Counsel for their review at least

9 five (5) court days prior to the filing of such papers with the Court.

10

11 If the Parties disagree on any aspect of the proposed Motion for Preliminary

12 Approval and/or the supporting declarations and documents, Class Counsel and

13 Defendants' Counsel will expeditiously work together on behalf of the Parties by

14 meeting in person or by telephone, and in good faith, to resolve the disagreement.

15 If the Court does not grant Preliminary Approval or conditions Preliminary

16 Approval on any material change to this Agreement, Class Counsel and

17 Defendants' Counsel will expeditiously work together on behalf of the Parties by

18 meeting in person or by telephone, and in good faith, to modify the Agreement and

19 otherwise satisfy the Court's concerns.

20

21 **DUTIES OF THE PARTIES FOR FINAL COURT APPROVAL**

22

23 39. In advance of the final approval hearing of the Settlement provided for in this

24 Agreement, the Parties will jointly submit a proposed final judgment. Class

25 Counsel shall submit the final approval papers to Defendants' Counsel for their

26 review at least five (5) court days prior to the filing of such papers with the Court.

27

28 40. Pursuant to Cal. Rules of Court, Rule 3.771(b), notice of the final judgment will be

1 posted on the Claims Administrator's website.

2
3 **VOIDING THE AGREEMENT**
4

5 41. If the Court disapproves of or refuses to enforce any of the material conditions set
6 forth in the preceding Paragraphs, this Settlement shall, at the option of
7 Defendants, be void, and of no further force and effect and shall not be used or
8 admissible in any subsequent proceeding. Defendants may exercise their option to
9 void this Settlement as provided in this Paragraph by giving notice, in writing, to
10 Class Counsel and to the Court within two (2) weeks of the entry of the Court's
11 order disapproving or refusing to enforce any portion of the aforementioned
12 Paragraphs.

13
14 42. Defendants shall have the right, in their sole discretion, to rescind this Agreement
15 if more than five percent (5%) of Class Members "opt-out" by submitting valid and
16 timely Requests for Exclusion. Defendants may exercise their option to void this
17 Agreement as provided in this Paragraph by giving notice, in writing, to Class
18 Counsel and to the Court at any time prior to Final Approval of the settlement by
19 the Court, but not later than two (2) weeks after receiving notice that the number of
20 Requests for Exclusion exceeds five percent (5%).

21
22 43. If the conditions of the Settlement set forth herein are not satisfied, or if
23 Defendants void the Settlement under Paragraph 41 or 42 above, or if the Payment
24 Date does not occur, or, if one or more of the material terms of the Agreement is
25 not approved or is materially modified or reversed, with the exception of the
26 Court's reduction of the amounts of attorneys' fees and costs, Representative
27 Plaintiffs' service payment award, or Administrator's fee, then this Agreement
28 shall be cancelled, terminated, and shall have no force or effect, unless Defendants

1 agree otherwise. If the Settlement is not finally approved, or if this Settlement is
2 terminated, revoked or cancelled pursuant to its terms, the Parties to this Settlement
3 shall be deemed to have reverted to their respective status as of the date and time
4 immediately prior to the execution of this Agreement.

5
6 **PARTIES' AUTHORITY**
7

8 44. The signatories hereby represent that they are fully authorized to enter into this
9 Agreement and bind the Parties hereto to the terms and conditions hereof.
10

11 **MUTUAL FULL COOPERATION**
12

13 45. The Parties shall fully cooperate with each other to accomplish the terms of this
14 Agreement, including the execution of such documents and to take such other
15 action as may reasonably be necessary to implement the terms of this Agreement
16 and to secure the Court's Final Approval of this Agreement.
17

18 **NO PRIOR ASSIGNMENTS**
19

20 46. The Representative Plaintiffs hereto represent, covenant, and warrant that they
21 have not directly or indirectly assigned, transferred, encumbered, or purported to
22 assign, transfer, or encumber to any Person or entity any portion of any liability,
23 claim, demand, action, cause of action, or rights herein released and discharged
24 except as set forth herein.
25
26
27
28

NO ADMISSION

47. Nothing contained herein, including the consummation of this Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants. Each of the Parties hereto has entered into this Agreement with the intention to avoid further disputes and litigation settled herein with the attendant inconvenience, expenses, and uncertainties. This Agreement is a settlement document and shall, pursuant to Federal Rule of Evidence 408 and California Evidence Code Section 1152, be inadmissible in evidence in any proceeding, except an action or proceeding to approve, interpret, or enforce this Agreement.

TAXES

48. Neither Class Counsel nor Defendants' Counsel intend anything contained herein to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied upon as such. The tax issues for each Class Member may be unique, and each Class Member is advised to obtain tax advice from his/her own tax advisor with respect to any payments resulting from this Agreement.

49. It shall be the responsibility of the Administrator to timely and properly withhold from individual settlement payments to Participating Class Members all applicable federal, state and local income and employment taxes, if any, and to prepare and deliver the necessary tax documentation for signature by all necessary Parties and, thereafter, to cause the appropriate deposits of withholding taxes and informational and other tax return filing to occur. It shall be the responsibility of the Administrator to pursue tax refunds on any uncashed checks, and to remit such payments accordingly. Payments to Participating Class Members and to Class

Counsel pursuant to this Agreement shall be reported on IRS Forms and provided by the Administrator to the respective Class Members, Class Counsel and all applicable governmental authorities as required by law.

NOTICES

50. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States certified mail with return receipt requested, addressed as follows:

To Plaintiffs and Settlement Class:

Mike Arias, Esq.

Alfredo Torrijos, Esq.

Craig S. Momita, Esq.

Arias Sanguinetti Wang & Torrijos LLP

6701 Center Drive West, Suite 1400

Los Angeles, California 90045

To Defendants' Counsel:

Glenn L. Briggs, Esq.

Kymberleigh Damron-Hsiao, Esq.

Sarah R. Mohammadi, Esq.

Kading Briggs LLP

100 Spectrum Center Drive, Suite 800

Irvine, California 92618

CONSTRUCTION

51. The terms and conditions of this Agreement are the result of lengthy, intensive arms-length negotiations between the Parties, and this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or his, her, or its counsel participated in its drafting.

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

53. This Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto (and upon Court approval of such modifications). This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

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

55. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective spouses, heirs, trustees, executors, administrators, successors, and assigns, including Defendants and the Released Parties.

56. Because the Settlement Class is so numerous, it is impossible or impractical to have each member execute this Agreement. The Notice, **Exhibit B** hereto, as approved by the Court, and the other forms of notice described herein will advise each Class Member of the binding nature of the release and such shall have the same force and effect, to the extent permitted by law, as if this Agreement were executed by each Class Member.

57. Any Person executing this Agreement or any such related document on behalf of a corporate signatory hereby warrants and promises for the benefit of all Parties hereto that such Person has been duly authorized by such corporation to execute this Agreement or any such related document.

58. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties as set forth herein. Copies and facsimile transmissions of signatures shall be considered the same as an original signature.

CONTROLLING LAW

59. The Agreement shall be governed by and construed in accordance with the laws of the State of California. In any dispute about the scope of the Release provisions set forth herein or their application to bar any future claim, including regarding the assertion of a res judicata / collateral estoppel defense, this Agreement is governed exclusively by California state law and without regard to any other state or federal law, and without regard to whether any future action is venued in state or federal court.

PUBLIC COMMENT

60. The Parties and their counsel will not, unless required by law, issue any press releases or have any communications to the press concerning this litigation, or the terms of this Agreement, and/or the business practices of Defendants, except that this provision shall not limit communications with Class Members up to the Final Approval of this Agreement, so long as the subject matter of such communications is limited to this Action and Settlement. Nothing in this provision shall affect the ability of Class Counsel or the Administrator to carry out their duties consistent with and as required by any other provision herein. Nothing contained in this Paragraph shall limit or restrict Class Counsels' ability to file a declaration with any court that identifies this case by name and case number and provides any information about this case and the Settlement in such declaration reasonably necessary to the filing with such court.

IT IS SO AGREED.

[SIGNATURES ON THE FOLLOWING PAGE]

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ARIAS SANGUINETTI WANG & TORRIJOS LLP

DATED: August 24, 2023

By: 
MIKE ARIAS, ESQ.

Attorneys for Plaintiffs and the Class

PLAINTIFF ELARIO SANDOVAL

DATED: August 24, 2023

By: 
ELARIO SANDOVAL

PLAINTIFF SANJIV AHUJA

DATED: August 24, 2023

By: 
SANJIV AHUJA

KADING BRIGGS LLP

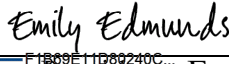
DATED: 8/24/2023

DocuSigned by:
By: 
KYMBERLEIGH DAMRON-HSIAO

Attorneys for Defendants Rite Aid Corporation and Thrifty Payless, Inc.

DEFENDANT RITE AID CORPORATION

DATED: 8/24/2023

DocuSigned by:
By: 
Vice President, Employment Law

DEFENDANT THRIFTY PAYLESS, INC.

DATED: 8/24/2023

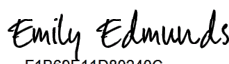
DocuSigned by:
By: 
Vice President, Employment Law

EXHIBIT “A”

EXHIBIT “A”

Mike Arias (CSB #115385)
Alfredo Torrijos (CSB # 222458)
Craig S. Momita (CSB #163347)
**ARIAS SANGUINETTI WANG
& TORRIJOS LLP**
6701 Center Drive West, Suite 1400
Los Angeles, CA 90045
Telephone: (310) 844-9696
Facsimile: (310) 861-0168
mike@aswtlawyers.com
craig@aswtlawyers.com

Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

ELARIO SANDOVAL, an individual, on
behalf of himself and all others similarly
situated;

Plaintiffs,

vs.

THRIFTY PAYLESS, INC., a California
corporation; RITE AID CORPORATION, a
Delaware corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No. 20STCV07120

Honorable Kenneth R. Freeman
Department 14

CLASS ACTION

SECOND AMENDED COMPLAINT

- 1. FAILURE TO REIMBURSE
EMPLOYEE EXPENSES [LAB.
CODE § 2802]**
- 2. UNFAIR COMPETITION [BUS. &
PROF. CODE § 17200, *et seq.*]**
- 3. PENALTIES PURSUANT TO
LABOR CODE PRIVATE
ATTORNEYS GENERAL ACT
("PAGA") [Lab. Code §§ 2698, *et
seq.*]**

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to Code of Civ. Proc. § 410.10 because Plaintiffs ELARIO SANDOVAL and SANJIV AHUJA were residents of the State of California while working for Defendants THRIFTY PAYLESS, INC., a

California corporation and/or RITE AID CORPORATION, a Delaware corporation; and DOES 1 through 100 (collectively “Defendants”), and Defendants are qualified to do business in California and regularly conduct business in California.

2. Venue is proper in this judicial district pursuant to Code of Civ. Proc. §§ 395 and 395.5 because Plaintiffs, and other persons similarly situated, performed work for Defendants in the County of Los Angeles, Defendants maintain offices and facilities and transact business in the County of Los Angeles, and because Defendants’ unlawful policies and practices that are the subject of this action were applied, at least in part, to Plaintiffs, and other persons similarly situated, in the County of Los Angeles.

PLAINTIFFS

3. The Class that Plaintiffs seek to represent (the “Class”) comprises the following persons: *All individuals employed by Defendants as Shift Supervisor, Assistant Store Manager, or Store Manager in California at any time on or after four years before the filing of the complaint to the present.*

4. More than two thirds of the members of the Class are citizens of California.

5. At all relevant times herein mentioned, Plaintiff Elario Sandoval:

a. Was employed by Defendants from approximately 2015 to April 2017 as an Assistant Store Manager in Defendants’ Santa Monica and Venice Stores in California; and

b. Was a member of the Class identified in paragraph 3, above.

CLASS ALLEGATIONS

6. The persons who comprise the Class are so numerous that joinder with all such persons is impracticable and the disposition of his claims will benefit the parties and the Court. The claims of Plaintiffs are typical of the claims of the Class. Plaintiffs will fairly and adequately protect the interests of the Class. Plaintiffs do not have any interests that are antagonistic to the Class. Counsel for Plaintiffs are experienced, qualified, and generally able to conduct complex class action litigation.

7. This Court should permit this action to be maintained as a class action pursuant to *Code of Civ. Proc.* § 382 for the following reasons:

a. The questions of law and fact common to the Class predominate over any question affecting only individual members;

b. A class action is superior to any other available method for the fair and efficient adjudication of the claims of the members of the Class;

c. The members of the Class are so numerous that it is impractical to bring all members of the Class before the Court;

d. Plaintiffs and the other members of the Class will not be able to obtain effective and economic legal redress unless the action is maintained as a class action;

e. There is a community of interest in obtaining appropriate legal and equitable relief for the common law and statutory violations and other improprieties alleged herein, as well as in obtaining adequate compensation for the damages and injuries for which Defendants are responsible in an amount sufficient to adequately compensate the members of the Class for the injuries sustained;

f. Without class certification, the prosecution of separate actions by individual members of the Class would create a substantial risk of the following:

i. Inconsistent or varying adjudications with respect to individual members of the Class that would establish incompatible standards of conduct for Defendants, and/or

ii. Adjudications with respect to the individual members that would, as a practical matter, be dispositive of the interests of other members not parties to the adjudications, or would substantially impair or impede their ability to protect their interests, including but not limited to the potential for exhausting the funds available from those parties who are, or may be, responsible Defendants; and

g. Defendants have acted, or refused to act, on grounds that are generally applicable to the Class, thereby making final injunctive relief appropriate with respect to

the Class as a whole.

DEFENDANTS

8. Plaintiffs are informed and believe, and based on that information and belief allege, that Defendant THRIFTY PAYLESS, INC. is, and at all relevant times herein mentioned:

- a. Was a duly organized California corporation;
- b. Was duly qualified to conduct business, and was conducting business, in the State of California, including the County of Los Angeles; and
- c. Had its principal place of business in California.

9. Plaintiffs are informed and believe, and based on that information and belief allege, that Defendant RITE AID CORPORATION is, and at all relevant times herein mentioned:

- a. Was a duly organized Delaware corporation;
- b. Was duly qualified to conduct business, and was conducting business, in the State of California, including the County of Los Angeles; and
- c. Had its principal place of business in California.

10. The true names and capacities, whether individual, corporate, partnership, associate, or otherwise, of Defendants Does 1 through 100, inclusive (“Doe Defendants”), are unknown to Plaintiffs who therefore sue these Doe Defendants by such fictitious names pursuant to *Code of Civ. Proc.* § 474. Plaintiffs will seek leave to amend this complaint to allege their true names and capacities when they are ascertained.

11. Plaintiffs are informed and believe, and based on that information and belief alleges, that each of the Defendants named in this complaint, including each of the Doe Defendants, is responsible in some manner for one or more of the events and happenings, and proximately caused the injuries and damages, hereinafter alleged.

12. Plaintiffs are informed and believe, and based on that information and belief allege, that each of the Defendants named in this complaint, including each of the Doe Defendants, is, and at all relevant times herein mentioned was, the agent, servant, and/or

1 employee of each of the other Defendants, and that each Defendant was acting within the
2 course and scope of his, her, or its authority as the agent, servant, and/or employee of each
3 of the other Defendants. Consequently, each Defendant is jointly and severally liable to
4 Plaintiffs and the other members of the Class for the damages sustained as a proximate
5 result of their conduct.

6 **FIRST CAUSE OF ACTION**

7 **FAILURE TO REIMBURSE EMPLOYEE EXPENSES**

8 **[Labor Code § 2802]**

9 **(By Plaintiffs Against all Defendants)**

10 13. Plaintiffs reallege and incorporate by reference, as though fully set forth
11 herein, paragraphs 1 through 12, inclusive, of this Complaint.

12 14. Pursuant to California Labor Code section 2802, Defendants are required to
13 reimburse Plaintiffs and the other members of the Class for expenses incurred by them in
14 the performance of their job duties (which may include but are not limited to the following
15 expenses: vehicle usage and mileage and cell phone usage).

16 15. At all times relevant herein mentioned, Defendants had a policy and
17 procedure whereby Plaintiffs and the other members of the Class were required personally
18 to incur and pay for said expenses during the performance of their employment duties, all
19 without reimbursement from Defendants. Accordingly, Defendants failed to reimburse
20 Plaintiffs and the other members of the Class for business expenses incurred as a condition
21 of and in the performance of their job duties, as described above.

22 16. As a proximate result of the aforementioned violations, Plaintiffs and the
23 other members of the Class have suffered damages in amounts presently unknown to them
24 but which exceed the jurisdictional limits of this Court and which will be ascertained
25 according to proof at trial.

26 17. Pursuant to Labor Code section 2802, Plaintiffs and the other members of the
27 Class are further entitled to recover from Defendants, in addition to the full amount of the
28 expenses they incurred in the course of their job duties, interest thereon and reasonable

1 attorney's fees and costs.

2 **SECOND CAUSE OF ACTION**

3 **FOR UNFAIR COMPETITION**

4 ***[Business & Professions Code §§ 17200, et seq.]***

5 **(By Plaintiff and the Plaintiff Class Against all Defendants)**

6 18. Plaintiffs reallege and incorporate by reference, as though fully set forth
7 herein, paragraphs 1 through 17, inclusive, of this Complaint.

8 19. Defendants fall within the definition of "person" under *Business &*
9 *Professions Code* § 17021.

10 20. By and through the conduct described herein, Defendants engaged in unfair,
11 unlawful, and fraudulent practices, in violation of *Business & Professions Code* §§ 17200,
12 *et seq.*, and thereby deprived Plaintiffs and the other members of the Class of fundamental
13 rights and privileges guaranteed to all California employees under the *Labor Code*.

14 21. By and through their unfair, unlawful, and fraudulent business practices
15 described herein, Defendants obtained valuable property, money, and services from
16 Plaintiffs and the other members of the Class and thereby deprived them of valuable rights
17 and benefits guaranteed by law, all to their detriment.

18 22. All of the acts described herein as violations of, among other things, the
19 *Labor Code* and *Industrial Welfare Commission Wage Orders*, are unlawful and in
20 violation of public policy. Said acts are in addition immoral, unethical, oppressive, and
21 unscrupulous, constituting unfair, unlawful, and fraudulent business practices in violation
22 of *Business & Professions Code* §§ 17200, *et seq.*

23 23. Plaintiffs and the other members of the Class are entitled to, and do seek,
24 such relief as may be necessary to restore to them the money and property that Defendants
25 have unfairly, unlawfully, and fraudulently acquired from them by means of the above-
26 described business practices.

27 24. Plaintiffs and the other members of the Class are further entitled to, and do,
28 seek a declaration that the above-described business practices are unfair, unlawful, and

1 fraudulent and that injunctive relief should issue restraining Defendants from engaging in
2 any of the above-described unfair, unlawful, or fraudulent business practices in the future.

3 25. Plaintiffs and the other members of the Class have no plain, speedy, or
4 otherwise adequate remedy at law to redress the injuries which they have suffered as a
5 consequence of the unfair, unlawful, and fraudulent business practices of Defendants. As a
6 result of the unfair, unlawful, and fraudulent business practices described herein, Plaintiffs
7 and the other members of the Class have suffered and will continue to suffer irreparable
8 harm unless Defendants are restrained from continuing to engage in these unfair, unlawful,
9 and fraudulent business practices. In addition, Defendants should be required to pay
10 restitution of the unpaid wages to Plaintiffs and the other members of the Class.

11 **THIRD CAUSE OF ACTION**
12 **FOR PENALTIES PURSUANT TO LABOR CODE PRIVATE**
13 **ATTORNEYS GENERAL ACT (“PAGA”)**

14 *[Labor Code §§ 2698, et seq.]*

15 **(By Plaintiff Sanjiv Ahuja and on Behalf of Aggrieved Employees**
16 **Against all Defendants)**

17 26. Plaintiff Sanjiv Ahuja realleges and incorporates by reference, as though
18 fully set forth herein, paragraphs 1 through 25, inclusive, of this Complaint.

19 27. This is an enforcement action under the Labor Code Private Attorneys
20 General Act of 2004, California Labor Code Labor Code §§ 2698, et seq. (hereinafter
21 “PAGA” or “the Act”), which expressly establishes that any provision of the California
22 Labor Code that provides for a civil penalty to be assessed and collected by the Labor and
23 Workforce Development Agency (“LWDA”), or any of its departments, divisions,
24 commissions, boards agencies or employees for a violation of the Labor Code, may be
25 recovered through a civil action brought by an aggrieved employee on behalf of himself or
26 herself, and other current or former employees.

27 28. Whenever the LWDA, or any of its departments, divisions, commissions,
28 boards, agencies, or employees has discretion to assess a civil penalty, a court in a civil

action is authorized to exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.

29. Plaintiff Sanjiv Ahuja and all other individuals employed by Defendants as a Shift Supervisor, Assistant Store Manager, and/or Store Manager in California at any time during the PAGA Period (i.e., August 8, 2021 through the date of the Court's order granting preliminary approval of PAGA settlement) are "Aggrieved Employees," as defined by Labor Code § 2699, in that one or more of the violations alleged herein was committed against them, and each of them.

30. At all times relevant herein mentioned, Defendants had a policy and procedure whereby Plaintiff Sanjiv Ahuja and the Aggrieved Employees were required to personally incur and pay for vehicle usage, mileage and cell phone (or similar device) usage) business expenses incurred as a condition of and in the performance of their job duties, as described above in violation of California Labor Code section 2802.

31. On or about August 5, 2022, Plaintiff Sanjiv Ahuja electronically submitted his PAGA claim with the LWDA and was assigned Case Number LWDA-CM-899934-22. A true and correct copy of the State of California - Department of Industrial Relations Customer Receipt / Purchase Confirmation is attached hereto as Exhibit 1.

32. On or about August 8, 2022, Plaintiff Sanjiv Ahuja submitted his PAGA Notice Letter to the LWDA *Via Electronic Submission*: <https://dir.tfaforms.net/308> and transmitted to Defendants Thrifty Payless, Inc. and Rite Aid Corporation his PAGA Notice Letter *Via Certified Mailing No.:* 9407136897846633689078 and *Via Certified Mailing No.:* 9407136897846633700780. A true and correct copy of Plaintiff Sanjiv Ahuja's PAGA Notice Letter is attached hereto as Exhibit 2.

33. A true and correct copy of the Proof of Delivery of the PAGA Notice letter to Defendants is attached hereto as Exhibit 3.

34. Because more than sixty-five (65) days have passed since Plaintiffs submitted their PAGA claim notice to Defendants and the LWDA without the LWDA having responded to the notice, Plaintiffs are entitled, as a matter of right, pursuant to

Labor Code section 2699.3(a)(2)(A) and (C), to amend their Complaint to include a cause of action for penalties pursuant to PAGA.

PRAYER

WHEREFORE, Plaintiffs and the other members of the Class pray for judgment as follows:

1. **On the First Cause of Action:**

- a. For damages;
- b. For all applicable penalties.

2. **On the Second Cause of Action:**

- a. For restitution; and
- b. For injunctive relief.

3. **On the Third Cause of Action:**

- a. For all applicable penalties; and

4. **On All Causes of Action:**

- a. For prejudgment interest;
- b. For reasonable attorney's fees, costs, and expenses; and
- c. For such other and further relief as this Court deems just and proper.

Dated: October 18, 2022

**ARIAS SANGUINETTI WANG
& TORRIJOS LLP**

By: 

MIKE ARIAS
ALFREDO TORRIJOS
CRAIG S. MOMITA

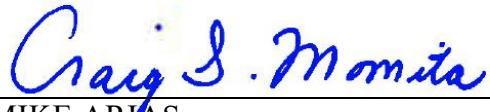
Attorneys for Plaintiffs

DEMAND FOR JURY TRIAL

Plaintiffs and the other members of the Class hereby demand a trial by jury on all claims so triable.

Dated: October 18, 2022

**ARIAS SANGUINETTI WANG
& TORRIJOS LLP**

By: 

MIKE ARIAS
ALFREDO TORRIJOS
CRAIG S. MOMITA

Attorneys for Plaintiffs

EXHIBIT 1

La Donna R. Mc Duffie

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>
Sent: Friday, August 5, 2022 4:42 PM
To: La Donna R. Mc Duffie
Subject: State of California - Department of Industrial Relations Customer Receipt / Purchase Confirmation

Thank you for your payment.

Order Information

Merchant: State of California - Department of Industrial Relations

Case Number: LWDA-CM-899934-22

Order Number: ORD-000188294

Total:\$75.00

Card Type: Master Card

Date: 8/5/2022

Billing Information

Name: Mickel M. Arias, Esq.

Email: ladonna@aswtlawyers.com

Billing Address:

6701 Center Drive West, Suite 1400

Los Angeles, California

90045

EXHIBIT 2



ARIAS SANGUINETTI
WANG & TORRIJOS, LLP
— TRIAL LAWYERS —

Craig S. Momita, Esq.
Senior Associate

craig@aswtlawyers.com

August 8, 2022

Sent via Certified U.S. Mail

LABOR & WORKFORCE DEVELOPMENT AGENCY
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Via Electronic Submission: <https://dir.tfaforms.net/308>

THRIFTY PAYLESS, INC./ RITE AID CORPORATION
30 Hunter Lane
Camp Hill, PA 17011

Via Certified Mailing No.: 9407136897846633689078

THRIFTY PAYLESS, INC./ RITE AID CORPORATION
c/o Agent for Service of Process
CT Corporation System
330 N. Brand Blvd., Suite 700
Glendale, CA 91203

Via Certified Mailing No.: 9407136897846633700780

*Re: Ahuja, Sanjiv. vs. Thrifty Payless, Inc./ Rite Aid Corporation
California Labor Code § 2699 Penalties
LWDA-CM-899934-22*

To Whom It May Concern:

Please take notice that pursuant to the procedures specified in the Private Attorneys General Act of 2004, California Labor Code §§ 2698-2699.5, Sanjiv Ahuja on behalf of himself and all other current and former store managers, assistant managers, and shift supervisors (hereinafter referred to as “EMPLOYEES” or “Plaintiffs”), hereby claim that Thrifty Payless, Inc. and Rite Aid Corporation (collectively “EMPLOYER”) committed the following violations against Plaintiffs.

Plaintiff Sanjiv Ahuja wishes to bring a representative action on behalf of himself and the State of California as well as on behalf the following group of aggrieved EMPLOYEES defined as:

- 1) All EMPLOYEES who are employed or have been employed as either Store Manager, Assistant Manager or Shift Supervisor by EMPLOYER, in the State of California who worked one or more pay periods since one (1) year prior to the date of this letter and continuing to the present plus any additional time during which the statutes of limitation for the causes of action herein were tolled pursuant to Emergency Rule 9 of the California Rules of Court, the 'Emergency Rules Related to COVID-19 who were required to personally incur and pay for cell phone usage and vehicle usage and mileage expenses during the performance of their employment duties, all without reimbursement from EMPLOYER in violation of California Labor Code section 2802.

EMPLOYEES respectfully request that the California Labor & Workforce Development Agency immediately investigate the alleged violations asserted by EMPLOYEES in this letter against EMPLOYER in accordance with California Labor Code §§ 2698 – 2699.5.

Very truly yours,

**ARIAS, SANGUINETTI, WANG
& TORRIJOS, LLP**



Craig S. Momita

La Donna R. Mc Duffie

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>
Sent: Friday, August 5, 2022 4:42 PM
To: La Donna R. Mc Duffie
Subject: State of California - Department of Industrial Relations Customer Receipt / Purchase Confirmation

Thank you for your payment.

Order Information

Merchant: State of California - Department of Industrial Relations

Case Number: LWDA-CM-899934-22

Order Number: ORD-000188294

Total:\$75.00

Card Type: Master Card

Date: 8/5/2022

Billing Information

Name: Mickel M. Arias, Esq.

Email: ladonna@aswtlawyers.com

Billing Address:

6701 Center Drive West, Suite 1400

Los Angeles, California

90045

EXHIBIT 3



Proof of Delivery (Electronic)

Date: 8/9/2022

Client Name: Arias Sanguinetti Wang & Torrijos, LLP

Certified item number 9407136897846633700780, addressed to CT CORPORATION Agent for Service of Process was designated Delivered, Individual Picked Up at Postal Facility at 7:42 AM on August 09, 2022.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

CT CORPORATION Agent for Service of Process
THRIFTY PAYLESS, INC./ RITE AID CORPORATION
330 N BRAND BLVD.
STE 700
GLENDALE, CA 91203
Reference #: Sanjiv Ahuja v Rite Aid
Item ID: Sanjiv Ahuja v Rite Aid

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

RE: Elario Sandoval vs. Thrifty Payless, Inc., et al.
Los Angeles Superior Court Case No: 20STCV07120

I am employed in the State of California, County of Los Angeles. I am over the age of eighteen and am not a party to the within action; my business address is 6701 Center Drive West, Suite 1400, Los Angeles, California 90045.

On October 24, 2022 I served the foregoing documents described as:

SECOND AMENDED COMPLAINT

on the interested parties in this action by transmitting [] the original [✓] a true copy thereof as follows:

Glenn L. Briggs, Esq.
 Kymberleigh Damron-Hsiao, Esq.
 Sarah R. Mohammadi, Esq.
KADING BRIGGS LLP
 100 Spectrum Center Drive, Suite 800
 Irvine, CA 92618
 Telephone: (949) 450-8040

gbriggs@kadingbriggs.com
kdh@kadingbriggs.com
smohammadi@kadingbriggs.com

Attorneys for Defendants
THRIFTY PAYLESS, INC. and RITE AID
 CORPORATION

[✓] **BY ELECTRONIC TRANSMISSION:** Pursuant to the Court's Electronic Case Management Order, I instituted service of the foregoing document(s) by submitting an electronic version of the document via file transfer protocol (FTP) to Case Anywhere through the upload feature found at caseanywhere.com. Service will be deemed effective as provided for in the Electronic Case Management Order.

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

Executed on **October 24, 2022** at Los Angeles, California.

Elvin Cruz
 Type or Print Name


 Signature

EXHIBIT “B”

EXHIBIT “B”

Elario Sandoval, et al. v. Thrifty Payless, Inc., et al.
Superior Court of California, County of Los Angeles
Case No. 20STCV07120

NOTICE OF CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AND RELEASE

You could get a payment from a class action settlement if you worked for Thrifty Payless, Inc. dba Rite Aid in California as a Store Manager, Assistant Store Manager, and/or Shift Supervisor at any time during the period from February 25, 2016, through [insert preliminary approval date].

The Los Angeles County Superior Court authorized this Notice. This is not a solicitation from a lawyer. This is not a lawsuit against you and you are not being sued. However, your legal rights are affected whether or not you act.

- Two former associates of Thrifty Payless, Inc. dba “Rite Aid” who worked as an Assistant Store Manager and a Store Manager in California have sued Thrifty Payless, Inc. and Rite Aid Corporation (hereinafter referred to collectively as “Rite Aid”), claiming that Rite Aid violated California law by purportedly failing to reimburse employee expenses related to work-related use of personal vehicles and cell phones (or similar devices), and seeking penalties under California Labor Code section 2698, *et seq.* (“PAGA”) as related to the aforementioned claims.
- Rite Aid has denied these claims and the Court has not decided the merits of these claims.
- To avoid litigation expenses, Rite Aid has agreed to settle these claims and this Notice is a summary of your rights under this Settlement.
- Your legal rights are affected by this Settlement and you have a choice to make now:

Si necesita este Aviso traducido al español, por favor comuníquese con Simpluris al [insert phone] o [insert email].

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
WHAT HAPPENS IF YOU DO NOTHING?	If you do nothing and the Court orders final approval of the Settlement, you will be paid your portion of the Net Settlement Amount and you will give up your rights to pursue the claims that are released by the Settlement.
CAN YOU OPT-OUT OR EXCLUDE YOURSELF FROM THE <u>ENTIRE</u> SETTLEMENT?	The Settlement includes two categories of claims: (1) PAGA claims; and (2) class claims. You can only exclude yourself or opt-out of the Settlement of the <i>class claims</i> . You cannot exclude yourself or opt-out of the Settlement of the <i>PAGA claim</i> . If you ask to be excluded from, or opt-out of the portion of the Settlement covering the <i>class claims</i> , you will not receive your portion of the Net Class Settlement Amount , but you will keep your rights with respect to the class claims. To the extent you have a PAGA claim, you will still be bound by the Settlement of the PAGA claim, and you will receive only your portion of the Net PAGA Settlement Amount.
HOW DO I KNOW IF I HAVE A CLAIM UNDER PAGA?	You have a claim under PAGA claim if you were employed by Rite Aid in California as a Store Manager, Assistant Store Manager, and/or Shift Supervisor at any point in time between August 8, 2021, and [insert preliminary approval date].

CAN YOU OBJECT TO THE SETTLEMENT?	Yes. You can write to the Court about why you do not like the Settlement. Class Members (or their attorney representative(s)) may also appear at the time of the Final Approval Hearing to object to the Settlement, regardless of whether they filed a written objection. The Court will hear from any Class Members (or their attorney representative(s)) who attend the Final Approval Hearing and ask to be heard by the Court. Class Members (or their attorney representative(s)) may appear remotely at the Final Approval Hearing by using LACourtConnect. Class Members (or their attorney representative(s)) can schedule a remote appearance at https://my.lacourt.org/laccwelcome.
CAN YOU GO TO THE HEARING?	Yes. You can write to the Court about why you do not like the Settlement and attend Court to speak about the fairness of the Settlement.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- Rite Aid will not retaliate in any manner against any Class Member related to this Action.
- **Any questions?** Read on.

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BASIC INFORMATION

1. Why did I get this notice package?

You are receiving this Class Notice because Rite Aid's records identify you as a Store Manager, Assistant Store Manager, and/or Shift Supervisor employed by Rite Aid and who worked in California during the period of February 25, 2016, through [insert preliminary approval date]. As such, you are a Class Member in this lawsuit. The purpose of this Class Notice is to describe the litigation to you, inform you about the Settlement, and inform you of your rights and options in connection with the Settlement.

Class Members include all individuals who, according to Rite Aid's records, worked for Rite Aid as a Store Manager, Assistant Store Manager, and/or Shift Supervisor in California at any time during the period of February 25, 2016, through [insert preliminary approval date]. Class Members who were employed by Rite Aid as a Store Manager, Assistant Store Manager, and/or Shift Supervisor in California between August 8, 2021 and [insert preliminary approval date] also have alleged PAGA claims, in addition to class claims.

The Court in charge of the case is the Superior Court of California, County of Los Angeles, and the case is known as *Elario Sandoval, et al. v. Thrifty Payless, Inc., et al.*, Case No. 20STCV07120. The judge currently presiding over the lawsuit is the Honorable Kenneth R. Freeman, in Department 14.

2. What is a class action and who is involved?

In class and representative actions, persons called "Representative Plaintiffs" (who, in this case, are Elario Sandoval and Sanjiv Ahuja) sued on behalf of themselves and past and present associates who have similar claims. These other associates together are a "Class" or "Class Members." Each person receiving this notice is a "Class Member" for purposes of this Settlement. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

3. Why is this a class action?

The Court has preliminarily determined that this lawsuit can be settled on a class-wide basis because it meets the requirements of California state law governing the settlement of claims through a class action.

THE CLAIMS IN THE LAWSUIT

4. What does the lawsuit complain about?

The *Elario Sandoval, et al. v. Thrifty Payless, Inc., et al.*, Case No. 20STCV07120, lawsuit was filed on February 25, 2020, and a First Amended Complaint was filed on or about August 19, 2021. Plaintiffs' lawsuit alleges that Rite Aid violated the rights of Store Managers, Assistant Store Managers, and Shift Supervisors under California law. Specifically, Plaintiffs claim that Store Managers, Assistant Store Managers, and Shift Supervisors employed by Rite Aid in California during the relevant time period incurred necessary and reasonable business expenses and that Rite Aid failed to reimburse those expenses, resulting in a: (1) violation of California Labor Code section 2802; and (2) violation of California Business and Professions Code section 17200. Based on the allegations in this lawsuit, Plaintiffs further seek the recovery of penalties under the Private Attorneys General Act of 2004 ("PAGA"). The allegedly unreimbursed expenses at issue in this case are work-related uses of personal vehicles and cell phones (or similar devices). On October 21, 2022, the Court approved the Parties' stipulation for Plaintiffs to file a Second Amended Complaint to add (1) Sanjiv Ahuja as a

plaintiff and (2) PAGA claims under California Labor Code section 2698, *et seq.* based on the same allegations of failure to reimburse Class Members for work-related vehicle usage, mileage and cell phone (or similar device) usage. The Second Amended Complaint was filed on [October 24, 2022].

5. What are the Plaintiffs asking for?

Plaintiffs seek various remedies, including compensatory damages, attorneys' fees and costs, penalties, prejudgment interest, and other relief as may be deemed proper.

6. Has the Court decided who is right?

The Court has not decided whether Plaintiffs' claims have any merit. Rather, the parties have settled this lawsuit before it has gone to trial.

7. Why is there a settlement?

The Court did not decide in favor of Plaintiffs Elario Sandoval and Sanjiv Ahuja or in favor of Rite Aid. There was no trial. Instead of going to trial, both sides agreed to a settlement. That way, they have avoided the costs and risks of a trial so that the affected employees will get compensation. The Representative Plaintiffs and the attorneys think the Settlement is in the best interest of all Class Members.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the settlement provide?

- Rite Aid will pay \$1,290,000.00 ("Total Settlement Amount") to end this lawsuit.
- Class Members will receive a portion of the Net Settlement Amount in the manner described under Question 10. The Net Settlement Amount is \$1,290,000.00 minus the following payments: (1) \$10,000.00 to the Representative Plaintiffs as approved by the Court; (2) \$425,700.00 as attorneys' fees to Class Counsel as approved by the Court; (3) up to \$50,000.00 as costs to Class Counsel as approved by the Court; (4) \$25,000.00 as Administrative Expenses as approved by the Court; and (5) \$30,000.00 to the California Labor & Workforce Development Agency. [update following preliminary approval]

9. What claims am I releasing as part of this lawsuit?

If you do not exclude yourself from the Settlement, you will be bound by the full release of claims in this Settlement. This release includes the business expense reimbursement claims related to vehicle usage, mileage and cell phone (or similar device) usage that were pleaded in the lawsuit (or that could have been pleaded), which arise out of the Class Members' work performed for Rite Aid as Store Managers, Assistant Store Managers, and/or Shift Supervisors in the state of California between February 25, 2016, and [insert preliminary approval date].

Even if you exclude yourself from the Settlement for the purposes of the release of class claims, you may not exclude yourself from the release of PAGA claims (or exclude yourself from receiving your portion of the Net PAGA Settlement Amount), to the extent you were employed during the "PAGA Period" – *i.e.*, you were employed as a Store Manager, Assistant Store Manager, and/or Shift Supervisor in California at any point in time between August 8, 2021 and [insert preliminary approval date].

The release language in the Settlement Agreement is set forth in Section 22 below.

For the full language of the release, you may contact the Settlement Administrator for a copy of the Class Action Settlement Agreement and Release that has been filed with the Superior Court of California, Los Angeles County, located at 312 North Spring Street, Los Angeles, California 90012. You may also visit the settlement website at: [insert URL].

10. How much will my payment be?

A Class Member's Settlement Payment will be his or her share of the Net Settlement Amount. The Net Settlement Amount is comprised of two parts: (1) approximately \$739,300, which is the "Net Class Settlement Amount" (*i.e.*, the entire Net Settlement Amount less the Net PAGA Settlement Amount), and (2) the "Net PAGA Settlement Amount" (*i.e.*, \$10,000 earmarked for the release of the PAGA claims for Representative Plaintiffs and each Class Member employed during the PAGA Period that is not payable to the California Labor and Workforce Development Agency). [update following preliminary approval]

The Net Class Settlement Amount will be allocated as follows:

(i) Each Class Member will be designated as either a Store Manager, Assistant Store Manager, or Shift Supervisor based on their last position held; (ii) the total months worked in the Class Period in any one of the three foregoing positions covered by this Agreement will be calculated by dividing the total days in such positions during the Class Period by 30; (iii) Store Managers and Assistant Store Managers shall be paid 5x per month, and Shift Supervisors 1x per month; (iv) "x" will be calculated as follows: Net Settlement Amount divided by the sum of 5 times the total months worked by Store Managers and Assistant Store Managers and 1 times the total months worked by Shift Supervisors.

The Net PAGA Settlement Amount will be allocated as follows:

The allocation of the Net PAGA Settlement Amount to each PAGA Aggrieved Employee, regardless of any opt-out of objection, shall be calculated based on the total number of pay periods of work completed by the PAGA Aggrieved Employee during the PAGA Period.

All Settlement Payment determinations will be based on Rite Aid's timekeeping, payroll, and/or human resources records for Class Members. According to records maintained by Rite Aid, (1) the last job position you held during the Class Period was [redacted], and (2) you worked [redacted] months for Rite Aid as a Shift Supervisor, Assistant Store Manager and/or Store Manager in California during the Class Period, as shown by company records. Your total estimated settlement payment will be approximately \$[redacted]. This amount is an estimated amount, and your final settlement payment is expected to differ from this amount (*i.e.*, it could be higher or lower) and will be calculated as set forth above.

If you dispute the last job position you held during the Class Period and/or the number of months worked as a Shift Supervisor, Assistant Store Manager and/or Store Manager in California during the Class Period as shown on this Notice of Settlement, you may produce evidence to the Settlement Administrator establishing the dates you contend to have worked for Rite Aid from February 25, 2016, to [insert preliminary approval date]. Corrections to the number of months worked must be supported by documentation or other evidence to constitute a valid dispute of months worked. The Settlement Administrator shall provide a recommendation to counsel for the Parties and counsel will meet and confer to resolve the dispute. Corrections and supporting evidence must be mailed to [insert address], faxed to [insert fax number], or emailed to [insert email address]. The deadline to submit corrections and supporting evidence is [insert date].

When calculating the individual Settlement Payments for purposes of the Notices of Settlement, the Settlement Administrator will assume that no Settlement Class Members opt-out. When calculating the individual Settlement Payments to Settlement Class Members following Final Approval (for purposes of preparing individual Settlement Payment checks), the Settlement Administrator will not include Settlement Class Members who validly request exclusion from the Settlement.

The individual Settlement Payments will be allocated as follows: 100% of all payments to Settlement Class Members shall be considered non-wages for the settlement of business expenses, interest claims, statutory and civil penalty claims, and for attorneys' fees. You should consult with your tax advisors concerning the tax consequences of the payments you receive under the settlement. Neither Class Counsel nor Rite Aid's counsel intend anything contained herein to constitute legal advice regarding the taxability of any amount paid, nor shall it be relied upon as such.

11. Is the Settlement fair?

Class Counsel is experienced in class action litigation and has a duty to represent the interests of all Class Members. Based on analyzing the law concerning the claims, analyzing records, making factual investigations, considering risks involved in further litigation, ensuring that the Class receives payment without having to wait for years of protracted litigation with no certainty of success, and using a professional third-party mediator to assist in reaching a fair settlement of this lawsuit, Class Counsel believes the Settlement is fair, adequate, and reasonable.

You are receiving Class Notice of this Settlement because the Court has reviewed the Settlement and has preliminarily determined the Settlement is fair and reasonable and can go forward.

12. Will being part of this Settlement affect my job with Rite Aid?

Rite Aid represents that, as required by law, it will not retaliate against any associate as a result of his or her participation in the Settlement. Rite Aid encourages all Class Members to participate in the Settlement.

13. How do I receive payment from the Settlement Amount?

You will automatically receive your portion of the Settlement Payment so long as you do not opt-out or exclude yourself from this lawsuit. Even if you opt-out or exclude yourself, to the extent you were employed during the PAGA Period you will still receive your allocation of the Net PAGA Settlement Amount, because you may not opt-out or exclude yourself from the release of PAGA claims.

14. What happens if I do nothing at all?

If you do nothing and the Court orders final approval of the Settlement, you will receive your portion of the Net Settlement Amount and you will give up your rights to pursue the claims that are released by the Settlement.

15. How do I get out of the settlement?

If you do not want a payment from this Settlement, but you want to keep your rights (other than your PAGA rights, which will be released regardless of you submitting a request for exclusion), then you **must** take steps to exclude yourself from the Settlement. You can exclude yourself from the Settlement by notifying the Settlement Administrator in writing of your intent to exclude yourself by [REDACTED], 2023 (which is 30 calendar days from the date this Notice is sent to the Class Members). Your exclusion letter must state your (i)

name, (ii) current address, (iii) the last four digits of your social security number, (iv) desire to exclude yourself from the Settlement, and (v) your signature. Exclusion letters must be sent directly to the Settlement Administrator. The Settlement Administrator, Simpluris, is a neutral third party appointed by the Court to administer the Settlement in accordance with the Court's Orders and the terms of the Settlement Agreement. Exclusion letters must be sent directly to the Settlement Administrator at the following address by first class mail, postage prepaid, postmarked on or before [REDACTED], 2023:

Elario Sandoval, et al. v. Thrifty Payless, Inc., et al.
Simpluris Class Action Administrator
[Administrator Address Here]

No Class Member will be permitted to pursue a claim released by this Settlement on the grounds that a request for exclusion was submitted timely and lost, destroyed, misplaced, or otherwise not received by the Settlement Administrator unless the Class Member has adequate proof that the request for exclusion was mailed timely certified and return receipt requested or has equivalent proof of timely delivery.

You may withdraw your exclusion prior to [REDACTED], 2023, by writing to the Settlement Administrator and stating your intent to withdraw your request to be excluded.

16. If I don't exclude myself, can I sue Rite Aid for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Rite Aid for all of the claims that this Settlement resolves. If you have a pending lawsuit regarding these claims, speak to your lawyer in that case. ***Remember, the exclusion deadline is [REDACTED], 2023.***

17. If I exclude myself, can I get money from this settlement?

You will not receive your portion of the Net Class Settlement Amount if you exclude yourself, but you will receive your portion of the Net PAGA Settlement Amount. If you exclude yourself, you are not eligible to receive any money from the Net Class Settlement Amount, but you may sue, continue to sue, or be part of a different lawsuit against Rite Aid. If you ask to be excluded, you will not be bound by the Settlement (other than the release of PAGA claims) or have any right to object, appeal, or comment thereon.

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in this case?

The Court has approved Mike Arias, Alfredo Torrijos, and Craig S. Momita of Arias Sanguinetti Wang & Torrijos LLP to represent you and other Class Members in this action. These lawyers are called Class Counsel. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. Mike Arias, Alfredo Torrijos, and Craig S. Momita of Arias Sanguinetti Wang & Torrijos LLP are available as your counsel to answer your questions and you are encouraged to contact them for a consultation for which you will not be charged. The names and contact information of Class Counsel are listed in Question 20 below.

19. How will the lawyers be paid?

Class counsel will ask the Court to approve a payment of \$425,700.00 for attorneys' fees and up to \$50,000 for litigation costs, which will be paid out of the \$1,290,000.00 settlement fund. These attorneys' fees will pay

Class Counsel for bringing the lawsuit on your behalf, investigating the facts, litigating the case, and negotiating the Settlement. Rite Aid has agreed not to oppose these attorneys' fees or costs. The Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can also tell the Court that you do not agree with the Settlement or some part of it. However, you may not object to the Settlement of the PAGA claims.

20. How do I tell the Court that I don't like the settlement?

The Court will hold a Final Approval Hearing on [REDACTED], 2023, at [REDACTED] a.m. in Department 14 of the Superior Court of California, County of Los Angeles located at 312 North Spring Street, Los Angeles, California 90012. As a Class Member, you may object to the Settlement (other than the portion of the Settlement covering your PAGA claims, if any) or file a statement in support of the Settlement for consideration at the Final Approval Hearing.

A Class Member's written objections, including copies of any supporting papers and briefs, should be filed with the Court and served on Class Counsel and Rite Aid's Counsel by no later than [REDACTED], 2023 (which is 30 calendar days from the date this Notice is sent to the Class Members.) All such objections must be signed by the Class Member and must contain the Class Member's name, his/her address and the dates of his/her employment with Rite Aid. Upon request, the objector must also provide the parties any address information or other necessary information so as to identify the objector. Any objections must clearly explain why the Class Member objects to the Settlement (including any legal and factual support for the objection(s)) and state whether the Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing.

Any Class Member may appear personally or through an attorney, at his or her own expense, at the Final Approval Hearing to state any objections regardless of whether he/she timely filed his/her written objections with the Court.

If a Class Member objects to the Settlement, he/she will remain a member of the Class, and, if the Court grants final approval of the Settlement, he/she will be bound by the Settlement in the same way and to the same extent as a Class Member who does not object. Any member of the Class who does not make his/her written or oral objection in the manner provided above, shall be deemed to have waived such objections and shall be foreclosed from making any objections by appeal or otherwise to the Settlement.

The names and addresses of Class Counsel and Rite Aid's Counsel are:

Class Counsel	Defense Counsel
Mike Arias Alfredo Torrijos Craig S. Momita Arias Sanguinetti Wang & Torrijos LLP 6701 Center Drive West, Suite 1400 Los Angeles, California 90045 Telephone: (310) 844-9696 Facsimile: (310) 861-0168 E-mail(s): mike@aswtlawyers.com alfredo@aswtlawyers.com craig@aswtlawyers.com	Glenn L. Briggs Kymberleigh Damron-Hsiao Sarah R. Mohammadi Kading Briggs LLP 100 Spectrum Center Drive, Suite 800 Irvine, CA 92618 Telephone: (949) 450-8040 Facsimile: (949) 450-8033

21. What's the difference between objecting and excluding myself?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class and do not want to release your individual claims. If you exclude yourself, you have no basis to object because the case no longer affects you.

FINAL APPROVAL OF THE SETTLEMENT

The Court will hold a final hearing to decide whether or not to approve the Settlement. You may attend, either in person or remotely depending on the Court's procedure at the time of the hearing due to pandemic, and you may ask to speak, but you do not have to. The Final Approval Hearing is scheduled for [REDACTED], 2023, at [REDACTED] a.m. in Department 14 of the Superior Court of California, County of Los Angeles located at 312 North Spring Street, Los Angeles, California 90012.

22. What is the effect of Final Approval of the Settlement?

If the Court grants final approval of the Settlement, all Class Members (who do not opt-out or exclude themselves) will be bound by the terms of the Settlement Agreement, including the release set forth below. Even if a Class Member excludes themselves, they will still be bound by the release of the PAGA claims. The release language in the Settlement Agreement is as follows:

Release of Claims: Upon the Final Approval by the Court of this Agreement, and except as to such rights or claims as may be created by this Agreement, each Participating Class Member fully releases and discharges Rite Aid, its present, former, and future parents, subsidiaries, affiliates, predecessors, successors and assigns, and each of its respective past and present members, shareholders, directors, officers, employees, agents, servants, registered representatives, insurers and attorneys (collectively hereafter, the “**Released Parties**”) from any and all claims, debts, liabilities, demands, claims for restitution or injunctive relief, obligations, guarantees, costs, expenses, attorneys’ fees, damages, liquidated damages, penalties, actions, causes of action and any other relief (of whatever kind or nature, whether known or unknown), from February 25, 2016, through the date the Court grants Final Approval, that were or reasonably could have been alleged based on the claims, facts and/or allegations contained in the Action (including the Second Amended Complaint), including *inter alia*, reimbursement of expenses incurred during the course of employment duties for vehicle usage, mileage and cell phone (or similar device) usage. This includes but is not limited to Plaintiffs’ claims for any violations of California, federal, and/or any other law pertaining to Rite Aid’s alleged failure to reimburse employee expenses for vehicle usage, mileage and/or cell phone (or similar device) use. This release includes but is not limited to claims for violations of California Labor Code section 2802, and California Business and Professions Code section 17200, *et seq.* (to the extent based on the same protections as provided by California Labor Code Section 2802). This release further includes claims for violations of California Labor Code Sections 2698 *et seq.* to the extent based on the same protections provided by Labor Code Section 2802 *and* included in Plaintiffs’ PAGA Notice to the LWDA. All claims released and referenced in this Paragraph 36 are collectively referred to as “**Released Claims.**”

Each Participating Class Members’ Release does not extend to any claims not covered by the preceding Paragraphs, including specifically any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period.

In order to achieve a full and complete release of the Released Parties as to the release directly above, the Representative Plaintiffs and each Participating Class Member acknowledge that the release directly above

is also intended to include in its effect all such Released Claims listed above whether or not the Representative Plaintiffs and each Class Member know or suspect them to exist.

To the extent any of the claims alleged in the cases of *Dennis Gutierrez, et al. v. Rite Aid Corporation, et al.*, San Bernardino Superior Court, Case No. CIVSB2210918 (subsequently transferred to Los Angeles Superior Court, Case No. 23STCV05365), *Cherie Russell, et al. v. Thrifty Payless, Inc., et al.*, Siskiyou Superior Court, Case No. SCCV-CVCV-2021-648 (consolidated with Case No. SCCV-CVCV-2021-935), and/or *Lili Gevorkian v. Rite Aid Corporation*, Los Angeles Superior Court, Case No. 23STCV03824 are Released Claims, as defined in this Section of this Notice, those claims are also being released by this Settlement.

The Settlement shall be binding on, and have *res judicata* and preclusive effect in, the Action and any and all other pending and future lawsuits or other proceedings encompassed by the Release above, maintained by or on behalf of the Representative Plaintiffs or any Participating Class Members. The Parties agree that the Release may be raised as a complete defense to and will preclude any action or proceeding based on any of the Released Claims.

If any Class Member initiates a new lawsuit against Rite Aid based on any claim released under this Agreement, and the Court invalidates the release, any recovery by the Class Member shall be offset by the amount, if any, paid to the Class Member in connection with this Settlement.

GETTING MORE INFORMATION

23. How do I get more information?

You may contact Class Counsel at the address listed in Section 20 above without having to pay for any attorneys' fees. You also have the right to speak with an attorney of your choosing at your own expense. You may contact the Settlement Administrator for a copy of the Class Action and Private Attorneys General Act Settlement Agreement and Release. This document and the motion for approval of the settlement is also on file with the Superior Court of California, County of Los Angeles located at located at 312 North Spring Street, Los Angeles, California 90012.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR ANY OF RITE AID'S MANAGERS, SUPERVISORS, OR ATTORNEYS ABOUT THIS SETTLEMENT.

EXHIBIT “C”

EXHIBIT “C”

CONFIDENTIAL SETTLEMENT AGREEMENT

AND GENERAL RELEASE

This CONFIDENTIAL SETTLEMENT AGREEMENT AND GENERAL RELEASE (hereinafter referred to as the “Agreement”) is entered into between THRIFTY PAYLESS, INC. and RITE AID CORPORATION, their former and/or current officers, directors, employees, and all related entities, and/or their former and/or current officers, directors, and employees (collectively, the “Company”), and ELARIO SANDOVAL for himself, his heirs, successors and assigns (“Sandoval”) (collectively, the “Parties”).

WHEREAS, Sandoval alleges that various actions of the Company during the time of his employment have been wrongful and unlawful.

WHEREAS, Sandoval filed a class action in the Superior Court of California, County of Los Angeles, entitled “*Elario Sandoval v. Thrifty Payless, Inc., et al.*,” pending as Case No. 20STCV07120. He subsequently filed a First Amended Complaint on August 19, 2021. Thereafter, Sandoval and another Plaintiff, Sanjiv Ahuja (“Ahuja”) filed a Second Amended Complaint adding a claim for violations under California Labor Code section 2698, *et seq.* (all collectively together, “the Action”).

WHEREAS, in the SAC, Sandoval and Ahuja seek relief from the Company for the following claims: (1) failure to reimburse employee expenses under the California Labor Code; (2) unfair competition in violation of California Business and Professions Code; and (3) penalties under the Private Attorneys General Act of 2004 (“PAGA”).

WHEREAS, the Parties (along with Ahuja) reached an agreement to settle the Action on behalf of all putative class members. As part of that Class Action and Private Attorneys General Act Settlement Agreement and Release (the “Class Action Settlement and Release”), the Parties agreed that subject to certain requirements set forth in Paragraph Third and Twelfth, Sandoval would be entitled to a service payment award in exchange for entering into a general release of all known and unknown claims.

WHEREAS, Sandoval represents that he has had an opportunity to discuss all aspects of his claims and this Agreement with his attorney to the extent so desired, has been fully advised as to his rights, understands that he is waiving significant legal rights by signing this Agreement and enters into this Agreement voluntarily, with a full understanding of, and agreement with, all of its terms, having been offered additional time to review and consider it, for the purpose of receiving additional pay and benefits from the Company beyond that provided by normal Company policy.

WHEREAS, Sandoval desires to settle fully and finally all claims, known or unknown, against the Company from the beginning of time to the date he executes this Agreement, except for his rights as a Participating Class Member set forth in the Class Action Settlement and Release.

NOW, THEREFORE, in consideration of the premises and promises contained herein, it is agreed as follows:

FIRST: **Non-Admission of Liability.**

This Agreement shall not be construed as an admission by the Company, or any of its current or former agents or employees, of any discriminatory, improper,

Sandoval's Initials. 

wrongful, tortious or unlawful actions, or any other wrongdoing whatsoever against Sandoval or any other person or persons, and the Company specifically denies any wrongdoing whatsoever against Sandoval or any other person or persons.

SECOND: **No Other or Future Lawsuits, Charges or**
Complaints of any Nature Whatsoever.

Sandoval represents that he does not presently have on file any complaints, charges or claims (civil, administrative, or criminal) against the Company in any court or administrative forum, or before any governmental agency or entity, except the Action (as set forth in the SAC) referenced above.

Sandoval further represents that he will not hereafter file any complaints, charges or claims (civil, administrative or criminal) against the Company with any court based on any action which occurred prior to the date he executes this Agreement, including, but not limited to, any claim related to, or in any way arising from his employment with the Company, or any events, actions, or omissions thereafter by the Company.

Sandoval further agrees to waive his right to any monetary or equitable recovery in connection with any federal, state, or local administrative agency's investigation into any claims arising out of or related to his employment with the Company, through the date he executes this Agreement, to the fullest extent permitted by law.

Sandoval's Initials: 

Upon the Court granting final approval of the Class Action Settlement and Release, Sandoval further agrees to the dismissal with prejudice of all of his individual claims against the Company.

THIRD: **Benefits to Sandoval.**

The Company agrees to and will pay to Sandoval the following benefits in exchange for this Release:

The Company will transfer to the Administrator appointed in the Action the amount approved by the Court for Sandoval's service payment award, not to exceed \$5,000.00, for which a Form 1099 will be issued, subject to the conditions set forth in Paragraph Twelfth. Sandoval agrees that payment in this manner is fully satisfactory to him, and by signing this Agreement, fully releases the Company from all claims, known and unknown, except for his rights as a Participating Class Member set forth in the Class Action Settlement and Release.

FOURTH: **Responsibility for Taxes.**

Sandoval agrees that he is solely responsible for all tax obligations which may arise as a consequence of this settlement and that he will indemnify and hold the Company harmless for any taxes, interest, penalties, and/or related expenses it incurs as a result of any dispute over the nonwithholding or other tax treatment of the Company's service payment to him. Sandoval further agrees that he has not received any tax advice concerning this service payment from the Company, the Company's counsel and/or Sandoval's counsel.

Sandoval's Initials: 

FIFTH: **No Costs or Attorneys' Fees.**

Sandoval agrees that the settlement provided herein, together with the Class Action Settlement and Release, is intended to and does bar all claims for injuries, losses, damages, expenses, costs, attorneys' fees and related expenses arising out of the Action and that any and all such similar or other claims based on any action which occurred prior to the effective date of this Agreement are hereby unqualifiedly waived by Sandoval.

SIXTH: **Confidentiality.**

Sandoval will not, unless required by law, issue any press releases or have any communication to the press concerning this litigation, this Agreement, or the Class Action Settlement Agreement and Release.

SEVENTH: **Release of All Claims.**

Upon the Court granting final approval of the Class Action Settlement and Release, and the Company's funding of the settlement, Sandoval, for himself and his heirs, successors and assigns, does hereby release, acquit and forever discharge the Company, its former and/or current officers, directors, executives, managers, employees, agents, related parent and subsidiary entities, predecessors, successors, and assigns (the "Released Parties"), from any and all claims, actions, charges, complaints, causes of action, rights, demands, debts, damages or accountings of whatever nature, known or unknown, which he or his heirs may have against the Released Parties based on any actions or events which occurred prior to the effective date of this Agreement, including but not limited to, those related to, or arising from, Sandoval's employment with the

Sandoval's Initials: 

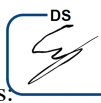
Company, except for his rights as a Participating Class Member set forth in the Class Action Settlement and Release. To the extent permissible by law, this includes, but is not limited to, a release of all rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, any tort, any public policy or any federal, state or other governmental statute, regulation or ordinance, and any amendments thereto (such as, but not limited to, the FEHA, Title VII, the ADA, FMLA, CFRA, FLSA, and provisions of the California Labor Code) and all other laws governing the employment of persons in the State of California from the beginning of time to the date of execution hereof.

**EIGHTH: Knowing and Voluntary Waiver of Known and
Unknown Claims.**

IT IS FURTHER UNDERSTOOD AND AGREED that as a condition of this Agreement, all rights under Section 1542 of the Civil Code of the State of California, are expressly waived by Sandoval. Such Section reads as follows:

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

In order to achieve a full and complete release, Sandoval acknowledges that this Agreement is intended to and does include in its effect all claims that he does not

Sandoval's Initials: 

know or suspect to exist in his favor at the time that he signs this Agreement and all rights under Section 1542 are hereby waived.

NINTH: **Ownership of Claims.**

Sandoval represents and agrees that he has not assigned or transferred, or attempted to assign or transfer, to any person or entity, any of the claims he is releasing in this Agreement.

TENTH: **Successors.**

This Agreement shall be binding upon the Parties and upon their respective heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of the Parties and others released herein, their representatives, executors, successors and assigns.

ELEVENTH: **Entire Agreement.**

Sandoval and the Company each agree that with respect to this litigation (*i.e.*, the Action) and release between the Parties (1) this Agreement and the Class Action Settlement Agreement and Release are only agreements between them, (2) these agreements embody and include all terms and commitments between them, and (3) no representations, inducements, coercion or promises have been made to any of them except as are expressly stated above and in the Class Action Settlement and Release. If any part of this Agreement is found to be unenforceable, all remaining provisions or parts thereof shall nevertheless remain valid and enforceable.

Sandoval's Initials. 

TWELFTH: **Agreement Contingent on Court Approval of the**
Class Action Settlement and Release and
Dismissal with Prejudice.

This Agreement and the obligations of the Parties set forth herein are subject to and contingent upon the following:

- (a) The Court granting final approval of the Class Action Settlement and Release;
- (b) Sandoval providing the Company with a completed W-9; and
- (c) Sandoval providing a Social Security number or tax identification number to the Administrator of the Class Action Settlement and Release.

Assuming the foregoing requirements are met, the Administrator will pay Sandoval his service payment award set forth in Paragraph Third. The Company will instruct the Administrator to pay that amount within 30 calendar days sections (a) through (c) above being completed.

In the event that the Court does not grant final approval of the Class Action Settlement and Release, the Parties are released of any obligations set forth in this Agreement, this Agreement shall have no force or effect, shall not be admissible in any court for any reason, and is voided as a matter of law.

THIRTEENTH: **Severability.**

Should any of the provisions in this Agreement be declared or be determined to be illegal or invalid, all remaining parts, terms or provisions shall be valid,

Sandoval's Initials: 

and the illegal or invalid portion or provision shall be deemed not to be a part of this Agreement.

FOURTEENTH: Acknowledgment of Understanding.

Sandoval understands that he is waiving legal rights by signing this Agreement, and represents that he has had an opportunity to consult with his attorney and/or other persons to the full extent he wanted to do so before signing this Agreement. Sandoval further represents that he has been given a reasonable period of time to review and consider this Agreement.

PLEASE READ CAREFULLY. THIS CONFIDENTIAL SETTLEMENT AGREEMENT AND GENERAL RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF this Agreement shall have as its effective date the date a properly executed agreement containing Sandoval's signature is received by the Company's counsel.

[SIGNATURES ON THE FOLLOWING PAGE]

Sandoval's Initials: 

DATED: 11/9/2022, 2022

PLAINTIFF ELARIO SANDOVAL

By:  DocuSigned by:
9C8261F808AA451...

DATED: _____, 2022

DEFENDANT THRIFTY PAYLESS, INC.

By: _____

DATED: _____, 2022

DEFENDANT RITE AID CORPORATION

By: _____

DATED: _____, 2022

PLAINTIFF ELARIO SANDOVAL

By: _____

DATED: Feb 19, 2023

DEFENDANT THRIFTY PAYLESS, INC.

By: *Emily Edmunds*
Emily Edmunds (Feb 19, 2023 22:14 EST)

DATED: Feb 19, 2023

DEFENDANT RITE AID CORPORATION

By: *Emily Edmunds*
Emily Edmunds (Feb 19, 2023 22:14 EST)

Sandoval's Initials: _____

EXHIBIT “D”

EXHIBIT “D”

CONFIDENTIAL SETTLEMENT AGREEMENT

AND GENERAL RELEASE

This CONFIDENTIAL SETTLEMENT AGREEMENT AND GENERAL RELEASE (hereinafter referred to as the “Agreement”) is entered into between THRIFTY PAYLESS, INC. and RITE AID CORPORATION, their former and/or current officers, directors, employees, and all related entities, and/or their former and/or current officers, directors, and employees (collectively, the “Company”), and SANJIV AHUJA for himself, his heirs, successors and assigns (“Ahuja”) (collectively, the “Parties”).

WHEREAS, Ahuja alleges that various actions of the Company during the time of his employment have been wrongful and unlawful.

WHEREAS, another former employee, Elario Sandoval (“Sandoval”) filed a class action in the Superior Court of California, County of Los Angeles, entitled “*Elario Sandoval v. Thrifty Payless, Inc., et al.*,” pending as Case No. 20STCV07120. He subsequently filed a First Amended Complaint on August 19, 2021. Thereafter, Sandoval and Ahuja filed a Second Amended Complaint adding a claim for violations under California Labor Code section 2698, *et seq.* (all collectively together, “the Action”).

WHEREAS, in the SAC, Ahuja and Sandoval seek relief from the Company for the following claims: (1) failure to reimburse employee expenses under the California Labor Code; (2) unfair competition in violation of California Business and Professions Code; and (3) penalties under the Private Attorneys General Act of 2004 (“PAGA”).

WHEREAS, the Parties (along with Sandoval) reached an agreement to settle the Action on behalf of all putative class members. As part of that Class Action and Private Attorneys General Act Settlement Agreement and Release (the “Class Action Settlement and Release”), the Parties agreed that subject to certain requirements set forth in Paragraph Third and Twelfth, Ahuja would be entitled to a service payment award in exchange for entering into a general release of all known and unknown claims.

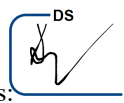
WHEREAS, Ahuja represents that he has had an opportunity to discuss all aspects of his claims and this Agreement with his attorney to the extent so desired, has been fully advised as to his rights, understands that he is waiving significant legal rights by signing this Agreement and enters into this Agreement voluntarily, with a full understanding of, and agreement with, all of its terms, having been offered additional time to review and consider it, for the purpose of receiving additional pay and benefits from the Company beyond that provided by normal Company policy.

WHEREAS, Ahuja desires to settle fully and finally all claims, known or unknown, against the Company from the beginning of time to the date he executes this Agreement, except for his rights as a Participating Class Member set forth in the Class Action Settlement and Release.

NOW, THEREFORE, in consideration of the premises and promises contained herein, it is agreed as follows:

FIRST: **Non-Admission of Liability.**

This Agreement shall not be construed as an admission by the Company, or any of its current or former agents or employees, of any discriminatory, improper,

Ahuja's Initials: 

wrongful, tortious or unlawful actions, or any other wrongdoing whatsoever against Ahuja or any other person or persons, and the Company specifically denies any wrongdoing whatsoever against Ahuja or any other person or persons.

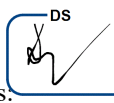
SECOND: **No Other or Future Lawsuits, Charges or**
Complaints of any Nature Whatsoever.

Ahuja represents that he does not presently have on file any complaints, charges or claims (civil, administrative, or criminal) against the Company in any court or administrative forum, or before any governmental agency or entity, except the Action (as set forth in the SAC) referenced above.

Ahuja further represents that he will not hereafter file any complaints, charges or claims (civil, administrative or criminal) against the Company with any court based on any action which occurred prior to the date he executes this Agreement, including, but not limited to, any claim related to, or in any way arising from his employment with the Company, or any events, actions, or omissions thereafter by the Company.

Ahuja further agrees to waive his right to any monetary or equitable recovery in connection with any federal, state, or local administrative agency's investigation into any claims arising out of or related to his employment with the Company, through the date he executes this Agreement, to the fullest extent permitted by law.

Upon the Court granting final approval of the Class Action Settlement and Release, Ahuja further agrees to the dismissal with prejudice of all of his individual

Ahuja's Initials:  ^{DS}

claims against the Company.

THIRD: **Benefits to Ahuja.**

The Company agrees to and will pay to Ahuja the following benefits in exchange for this Release:

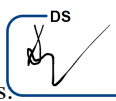
The Company will transfer to the Administrator appointed in the Action the amount approved by the Court for Ahuja's service payment award, not to exceed \$5,000.00, for which a Form 1099 will be issued, subject to the conditions set forth in Paragraph Twelfth. Ahuja agrees that payment in this manner is fully satisfactory to him, and by signing this Agreement, fully releases the Company from all claims, known and unknown, except for his rights as a Participating Class Member set forth in the Class Action Settlement and Release.

FOURTH: **Responsibility for Taxes.**

Ahuja agrees that he is solely responsible for all tax obligations which may arise as a consequence of this settlement and that he will indemnify and hold the Company harmless for any taxes, interest, penalties, and/or related expenses it incurs as a result of any dispute over the nonwithholding or other tax treatment of the Company's service payment to him. Ahuja further agrees that he has not received any tax advice concerning this service payment from the Company, the Company's counsel and/or Ahuja's counsel.

FIFTH: **No Costs or Attorneys' Fees.**

Ahuja agrees that the settlement provided herein, together with the Class

Ahuja's Initials.  ^{DS}

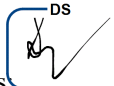
Action Settlement and Release, is intended to and does bar all claims for injuries, losses, damages, expenses, costs, attorneys' fees and related expenses arising out of the Action and that any and all such similar or other claims based on any action which occurred prior to the effective date of this Agreement are hereby unqualifiedly waived by Ahuja.

SIXTH: **Confidentiality.**

Ahuja will not, unless required by law, issue any press releases or have any communication to the press concerning this litigation, this Agreement, or the Class Action Settlement Agreement and Release.

SEVENTH: **Release of All Claims.**

Upon the Court granting final approval of the Class Action Settlement and Release, and the Company's funding of the settlement, Ahuja, for himself and his heirs, successors and assigns, does hereby release, acquit and forever discharge the Company, its former and/or current officers, directors, executives, managers, employees, agents, related parent and subsidiary entities, predecessors, successors, and assigns (the "Released Parties"), from any and all claims, actions, charges, complaints, causes of action, rights, demands, debts, damages or accountings of whatever nature, known or unknown, which he or his heirs may have against the Released Parties based on any actions or events which occurred prior to the effective date of this Agreement, including but not limited to, those related to, or arising from, Ahuja's employment with the Company, except for his rights as a Participating Class Member set forth in the Class Action Settlement and Release. To the extent permissible by law, this includes, but is not limited to, a release of all rights arising out of alleged violations of any contracts, express

Ahuja's Initials.  ^{DS}

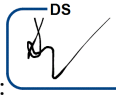
or implied, any covenant of good faith and fair dealing, express or implied, any tort, any public policy or any federal, state or other governmental statute, regulation or ordinance, and any amendments thereto (such as, but not limited to, the FEHA, Title VII, the ADA, FMLA, CFRA, FLSA, and provisions of the California Labor Code) and all other laws governing the employment of persons in the State of California from the beginning of time to the date of execution hereof.

**EIGHTH: Knowing and Voluntary Waiver of Known and
Unknown Claims.**

IT IS FURTHER UNDERSTOOD AND AGREED that as a condition of this Agreement, all rights under Section 1542 of the Civil Code of the State of California, are expressly waived by Ahuja. Such Section reads as follows:

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

In order to achieve a full and complete release, Ahuja acknowledges that this Agreement is intended to and does include in its effect all claims that he does not know or suspect to exist in his favor at the time that he signs this Agreement and all rights under Section 1542 are hereby waived.

Ahuja's Initials: 

NINTH: **Ownership of Claims.**

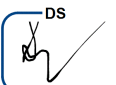
Ahuja represents and agrees that he has not assigned or transferred, or attempted to assign or transfer, to any person or entity, any of the claims he is releasing in this Agreement.

TENTH: **Successors.**

This Agreement shall be binding upon the Parties and upon their respective heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of the Parties and others released herein, their representatives, executors, successors and assigns.

ELEVENTH: **Entire Agreement.**

Ahuja and the Company each agree that with respect to this litigation (*i.e.*, the Action) and release between the Parties (1) this Agreement and the Class Action Settlement Agreement and Release are only agreements between them, (2) these agreements embody and include all terms and commitments between them, and (3) no representations, inducements, coercion or promises have been made to any of them except as are expressly stated above and in the Class Action Settlement and Release. If any part of this Agreement is found to be unenforceable, all remaining provisions or parts thereof shall nevertheless remain valid and enforceable.

Ahuja's Initials:  ^{DS}

TWELFTH: **Agreement Contingent on Court Approval of the**
Class Action Settlement and Release and
Dismissal with Prejudice.

This Agreement and the obligations of the Parties set forth herein are subject to and contingent upon the following:

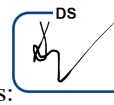
- (a) The Court granting final approval of the Class Action Settlement and Release;
- (b) Ahuja providing the Company with a completed W-9; and
- (c) Ahuja providing a Social Security number or tax identification number to the Administrator of the Class Action Settlement and Release.

Assuming the foregoing requirements are met, the Administrator will pay Ahuja his service payment award set forth in Paragraph Third. The Company will instruct the Administrator to pay that amount within 30 calendar days sections (a) through (c) above being completed.

In the event that the Court does not grant final approval of the Class Action Settlement and Release, the Parties are released of any obligations set forth in this Agreement, this Agreement shall have no force or effect, shall not be admissible in any court for any reason, and is voided as a matter of law.

THIRTEENTH: **Severability.**

Should any of the provisions in this Agreement be declared or be determined to be illegal or invalid, all remaining parts, terms or provisions shall be valid,

Ahuja's Initials: 

and the illegal or invalid portion or provision shall be deemed not to be a part of this Agreement.

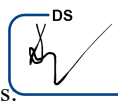
FOURTEENTH: Acknowledgment of Understanding.

Ahuja understands that he is waiving legal rights by signing this Agreement, and represents that he has had an opportunity to consult with his attorney and/or other persons to the full extent he wanted to do so before signing this Agreement. Ahuja further represents that he has been given a reasonable period of time to review and consider this Agreement.

PLEASE READ CAREFULLY. THIS CONFIDENTIAL SETTLEMENT AGREEMENT AND GENERAL RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

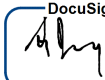
IN WITNESS WHEREOF this Agreement shall have as its effective date the date a properly executed agreement containing Ahuja's signature is received by the Company's counsel.

[SIGNATURES ON THE FOLLOWING PAGE]

Ahuja's Initials. 

DATED: 11/10/2022, 2022

PLAINTIFF SANJIV AHUJA

By:  6B3E56A26CC048A

DATED: _____, 2022

DEFENDANT THRIFTY PAYLESS, INC.

By: _____

DATED: _____, 2022

DEFENDANT RITE AID CORPORATION

By: _____

DATED: _____, 2022

PLAINTIFF SANJIV AHUJA

By: _____

DATED: Feb 19, 2023

DEFENDANT THRIFTY PAYLESS, INC.

By: *Emily Edmunds*
Emily Edmunds (Feb 19, 2023 22:14 EST)

DATED: Feb 19, 2023

DEFENDANT RITE AID CORPORATION

By: *Emily Edmunds*
Emily Edmunds (Feb 19, 2023 22:14 EST)

Ahuja's Initials: _____