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SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

JASON THAO, individually and on behalf of all other similarly situated employees,

Plaintiff,

vs.

PITTSBURG WHOLESALE GROCERS, INC., a California Corporation; PACIFIC GROSERVICE, INC., a California Corporation; PERI NAVAB, an individual; DAVID LUTTWAY, an individual; REZA NEGHABAT, an individual; and DOES 1 to 100, inclusive,

Defendants.

Case No.: 23CV005801

PRIVATE ATTORNEY'S GENERAL ACT SETTLEMENT

Filed: August 1, 2023
FAC Filed: February 13, 2025
Trial Date: None Set

This Private Attorneys General Act Settlement is made and entered into between the Plaintiff Jason Thao ("Plaintiff"), on behalf of himself, the Labor and Workforce Development Agency, and Aggrieved Employees, and Defendants Pittsburg Wholesale Grocers, Inc., and Pacific Groservice, Inc., ("Defendants"). This Agreement is subject to the terms and conditions set forth below and approval of the Court.

1. DEFINITIONS

The following terms, when used in this Agreement, have the following meanings:

1.1 "Action" means the above stated lawsuit, *Thao v. Pittsburg Wholesale Grocers, Inc., et al.,* Sacramento County Superior Court, Case No. 23CV005801, filed August 1, 2023.

1.2 "Aggrieved Employee(s)" means all non-exempt employees who worked for Defendants in California from July 28, 2022, through July 4, 2026.

1.3 "Agreement" or "Settlement" or "Settlement Agreement" means this Private Attorneys General Act Settlement.

1.4 "Complaint" means the operative Complaint on file in the Action with the Court.

1.5 "Court" means the Sacramento County Superior Court.

1.6 "Defendants" means Pittsburg Wholesale Grocers, Inc., and Pacific Groservice, Inc.

1.7 "Defendants' Counsel" means Jackson Lewis P.C.

1.8 "Enhancement Payment" means the amount approved by the Court to be paid to the PAGA Representative in recognition of the time and effort expended on behalf of Aggrieved Employees for the benefit of Aggrieved Employees, which is in addition to any Individual Settlement Amount paid to the PAGA Representative as an Aggrieved Employee. This payment shall also be in exchange for a waiver of individual claims by Plaintiff beyond the Private Attorneys General Act, including a waiver of the protections Civil Code section 1542 for those individual claims.

1.9 "Effective Date" means the Final Approval Date unless there is a timely objection lodged that has not later been withdrawn, in which case the Effective Date will be either (a) the 60th calendar day after a signed order approving this settlement has been filed provided no appellate proceeding has been filed; or (b) fourteenth (14th) calendar day after any appellate proceeding opposing the settlement has been finally dismissed with no material change to the terms of this settlement and there is no right to

pursue further remedies or relief, whichever is later.

1.10 "Final Approval Date" means the date the Court enters a signed order granting approval of the Agreement.

1.11 "Gross Settlement Amount" is the sum of Three Hundred Thousand Dollars and Zero Cents ($300,000.00).

1.12 "Individual Settlement Amount" means an individual Aggrieved Employee's allocation of the Net Settlement Amount, as defined in Section 1.14 and 5.8.

1.13 "LWDA" means the California Labor and Workforce Development Agency.

1.14 "Net Settlement Amount" is the portion of the Gross Settlement Amount available for distribution between Aggrieved Employees and the LWDA pursuant to Labor Code section 2699(i), after deduction of Plaintiff's attorneys' fees and litigation costs, any Enhancement Payment to Plaintiff, and Settlement Administrator Costs.

1.15 "Notice of Settlement" means the document substantially in the form attached hereto as Exhibit 1.

1.16 "PAGA" means Private Attorneys General Act.

1.17 "PAGA Claim Period" means from July 28, 2022, through July 4, 2026.

1.18 "PAGA Payment" means the 75% share of the Net Settlement Amount paid to the LWDA pursuant to Labor Code section 2699(i).

1.19 "PAGA Representative's Released Claims" means any and all Plaintiff's individual claims arising from or that are related in any way to the Plaintiff's employment with Defendants, or that could have been asserted under federal, state, or local laws, and/or ordinances, or tort or contract theories, whether known or unknown, and whether anticipated or unanticipated, including without limitation statutory, constitutional, contractual or common law claims for lost wages, unpaid wages, emotional distress, punitive damages, special damages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, equitable relief or other similar relief or claims. In addition, as to the claims of Plaintiff, the PAGA Representative's Released Claims further include, without limitation, any and all claims whatsoever regarding Plaintiff's respective employment and/or termination of employment including, but not limited to, any claims for wages, bonuses,

severance pay, vacation pay, penalties, employment benefits, stock options, violation of any personnel policy, any claims based on discrimination, harassment, unlawful retaliation, violation of public policy, or damages of any kind whatsoever, arising out of any common law torts, contracts, express or implied, any covenant of good faith and fair dealing, any theory of wrongful discharge, any theory of negligence, any theory of retaliation, any legal restriction on any Defendants' right to terminate the employment relationship, or any federal, state, or other governmental statute, executive order, regulation or ordinance, or common law, or any other basis whatsoever, to the fullest extent provided by law. Plaintiff shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law that purports to limit the scope of a general release. Plaintiff, for himself, has read Section 1542 of the Civil Code of the State of California, which provides as follows:

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

Plaintiff understands that Section 1542 gives him the right not to release existing claims of which he is not now aware unless he voluntarily chooses to waive this right. Having been so apprised, Plaintiff nevertheless voluntarily waives the right described in Section 1542 and elects to assume all risks for claims that now exist in his favor, whether known or unknown. The PAGA Representative's Released Claims exclude claims for workers' compensation, unemployment insurance benefits, or other claims that cannot be released as a matter of law.

1.20 "Parties" mean Defendants and Plaintiff.

1.21 "Plaintiff" means Jason Thao.

1.22 "Plaintiff's Counsel" means Galen T. Shimoda, Justin P. Rodriguez and Renald Konini of Shimoda & Rodriguez Law, PC.

1.23 "QSF" means a Qualified Settlement Fund set up by the Settlement Administrator for the benefit of the Aggrieved Employees and from which the payments under this Agreement shall be made.

Any amounts Defendants have agreed to pay under this Agreement shall remain the property of Defendants until the payments required under the Agreement are made.

1.24 "Qualifying Pay Periods" are pay periods worked by Aggrieved Employees during the PAGA Claim Period in California. The calculation of an Aggrieved Employee's pay periods and a determination as to whether an Aggrieved Employee was actively employed in California in a particular pay period shall be construed from Defendants' records.

1.25 "Released PAGA Claims" means any and all claims for civil penalties that were brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in Plaintiff's notice letters to the LWDA and any additional wage and hour PAGA claims that could have been brought based on the facts alleged in Plaintiff's notice letters to the LWDA during the PAGA Claim Period. Aggrieved Employees cannot opt out of this waiver of claims.

1.26 "Released Parties" means Defendants, as well as Defendants' owners, officers, shareholders, directors, agents, employees, attorneys, and insurers.

1.27 "Settlement Administrator" means and refers to ILYM Group, Inc., the third-party entity that will administer the Agreement as outlined in Section 7, or any other third-party administrator agreed to by the Parties and approved by the Court for the purposes of administering this Agreement. The Parties each represent that they do not have any financial interest in the Settlement Administrator.

1.28 "Settlement Administrator Costs" means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Agreement, and shall include all costs of administering the Agreement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and other correspondence to Aggrieved Employees; all costs and fees associated with communicating with Aggrieved Employees, Plaintiff's Counsel, and Defendants' Counsel; all costs and fees associated with computing, processing, reviewing, and paying the Individual Settlement Amounts, and resolving disputes; all costs and fees associated with calculating tax withholdings and payroll taxes, if any, making related payment to federal and state tax authorities, if any, and issuing tax forms relating to payments made under the Agreement; all costs and fees associated with preparing any tax returns and any other filings required by any governmental

taxing authority or agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in the course of administering Individual Settlement Amounts; and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement.

2. DESCRIPTION OF THE LITIGATION

2.1 On or about May 26, 2023, July 1, 2024, and March 24, 2026, Plaintiff sent notices to the LWDA to exhaust administrative remedies under the PAGA for: (1) Failure to Pay Overtime Wages in Violation of of Labor Code §§ 510, 1194; IWC Wage Order 9, § 3; (2) Failure to Pay Minimum Wages in Violation of Labor Code §§ 1194, 1197.1; IWC Wage Order 9, § 4; (3) Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof in Violation of Labor Code §§ 226.7, 512 and Wage Order No. 9, §§ 11(A) and 11(B); (4) Failure to Provide Rest Periods or Pay Premiums in Lieu Thereof in Violation of Labor Code § 226.7 and Wage Order No. 9, § 12(A); (5) Failure to Provide Accurate Wage statements in Violation of Labor Code §§ 226, 226.3; (6) Failure to Pay Final Wages in Violation of Labor Code §§ 201-203, 256; (7) Violation of Labor Code §§ 558, 558.1 (Provisions Regulating Hours and Days of Work in Any Industrial Welfare Commission Order), (8) Failure to Maintain Accurate Records in Violation of Labor Code §§ 226.3, 1174; (9) Failure to Provide Paid Sick Leave in Violation of Labor Code §§ 246, 246.5, 248.5; and (10) Failure to Pay Vested Vacation Time in Violation of Labor Code §§ 227.3. The LWDA did not respond to the notices within the statutorily required time frame and, as such, Plaintiff became authorized to act as a Private Attorney General on all alleged PAGA claims.

2.2 After exhausting administrative remedies, Plaintiff filed a Complaint on August 1, 2023, in Sacramento County Superior Court on behalf of himself and Aggrieved Employees for claims alleged in the May 26, 2023, notice to the LWDA. A First Amended Complaint was filed on February 13, 2025. Plaintiff filed a DOE amendment identifying Pacific Groservice, Inc., as DOE 1 on June 15, 2026.

2.3 Through formal and informal discovery, Defendants and Defendants' Counsel provided Plaintiff's Counsel with copies of all applicable versions of its policies and procedures, employee handbooks, information on the number of Aggrieved Employees, including, but not limited to, Aggrieved Employees' workweeks, dates of employment, total number of Aggrieved Employees, their rates of pay,

and pay periods as well as timecard data and payroll reports for a randomly selected sample of Aggrieved Employees.

2.4 After Plaintiff's Counsel received the data, the Parties engaged in informal settlement negotiations but were not able to come to a resolution. On March 9, 2026, the Parties participated in lengthy mediation with private mediator Hon. Amy D. Hogue (Ret.). At the conclusion of the mediation, the Parties were able to come to a resolution. At all times, the Parties' settlement negotiations have been non-collusive, adversarial, and at arm's length.

2.5 Discussions between Plaintiff and Plaintiff's Counsel, between counsel for the Parties, the mediator, document productions, extensive legal analysis, the provision of information by Defendants to Plaintiff and the detailed analysis of the sampled records have permitted each side to assess the relative merits of the PAGA claims and the defenses to those claims.

2.6 In the Action, Plaintiff contends that Defendants violated California law by 1) failing to incorporate the value of nondiscretionary bonuses into Plaintiff's and Aggrieved Employees' regular rates of pay for the purpose of calculating overtime wages, meal and rest premiums, and paid sick time; 2) failing to provide Plaintiff and Aggrieved Employees with all legally compliant meal and rest periods, resulting in off-the-clock work and unpaid meal and rest period premiums; 3) providing Plaintiff and Aggrieved Employees with a maximum of two rest periods per shift regardless of their hours worked; 4) not keeping accurate records of Plaintiff and Aggrieved Employees' hours worked and meal periods; and 5) deducting Plaintiff's and Aggrieved Employees' hours worked for time it believed was in excess of authorized rest periods without any notice to employees. Defendants have denied each of Plaintiff's claims. The agreed upon Gross Settlement Amount was reached after evaluating the Parties' theories of potential exposure for the PAGA claims. The Parties, with the assistance of the mediator, also assessed appropriate discounts to the potential liability based on Defendants' factual and legal contentions and defenses.

2.7 The Parties agree that the above-described investigation and evaluation, as well as discovery and the information exchanged to date, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Plaintiff's Counsel, Defendants, and Defendants' Counsel have concluded that it is desirable that the

PAGA claims asserted in the Action be settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense, inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the Parties potentially face. Plaintiff, Plaintiff's Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement for the consideration and terms set forth herein is fair, reasonable, and adequate in light of all known facts and circumstances.

3. THE CONDITIONAL NATURE OF THIS AGREEMENT

3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose of settling the PAGA claims asserted in the Action. This Agreement and the settlement it evidences are made in compromise of disputed claims. The Parties enter into this Agreement and associated settlement on a conditional basis in order for the Court to evaluate and approve the settlement. If the Effective Date does not occur, or if the Court's approval of the settlement is reversed or materially modified on appellate review, this Agreement shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry of the Agreement shall remain subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

3.2 Defendants have denied all claims as to liability, damages, penalties, interest, fees, injunctive relief and all other forms of relief asserted in the Action. Defendants have agreed to resolve the asserted PAGA claims in the Action via this Agreement, but, to the extent this Agreement is deemed void or the Effective Date does not occur, Defendants do not waive, and are expressly reserving, all rights to challenge all such claims and allegations in the Action upon all procedural and factual grounds, including, without limitation, the ability to challenge representative or collective treatment on any grounds, as well as to assert any and all other potential defenses or privileges.

4. SCOPE OF THE AGGRIEVED EMPLOYEES

4.1 The scope of individuals encompassed under the Agreement, who are entitled to all benefits as authorized under the Agreement and subject to all obligations and duties required under the Agreement, shall include all Aggrieved Employees as defined in Section 1.2.

4.2 Aggrieved Employees entitled to recover under this Agreement will include only those individuals who are identified in Defendants' records as having worked as an Aggrieved Employee.

5. TERMS OF THE SETTLEMENT

The Parties agree as follows:

5.1 Gross Settlement Amount: In consideration and exchange for the releases described in Section 6, Defendants shall pay the Gross Settlement Amount ($300,000.00). Funding of the Gross Settlement Amount shall occur within twenty-eight (28) calendar days after the Effective Date to be held in trust in a QSF by the Settlement Administrator. The Gross Settlement Amount represents the maximum amount payable under this Agreement by Defendants, and includes without limitation, the PAGA Payment, all payments to the Aggrieved Employees, all attorneys' fees, costs and litigation expenses directly related to the Action incurred to date, as well as all such fees and costs incurred in documenting the Agreement, any Enhancement Payment to Plaintiff, administering the Agreement (including Settlement Administrator Costs), and obtaining approval of the Agreement.

5.2 Attorneys' Fees and Costs: Plaintiff's Counsel will apply to the Court for attorney's fees of 35% of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount. Defendants have agreed to not oppose Plaintiff's Counsel's application for attorneys' fees so long as it does not exceed the 35% threshold. Plaintiff's Counsel will also be entitled to reimbursement for advanced litigation expenses not to exceed $15,000, which shall be paid from the Gross Settlement Amount. Defendants have agreed to not oppose Plaintiff's Counsel's request for reimbursement for advanced litigation expenses so long as they do not exceed the $15,000 threshold. The Settlement Administrator will issue Class Counsel an IRS Form 1099 for the attorneys' fees and costs paid under this Agreement. In the event that the Court awards less than the requested attorney's fees and/or costs, the portion of the requested amounts not awarded to Plaintiff's Counsel shall be added to the Net Settlement Amount as defined in section 1.14.

5.3 Settlement Administrator Costs: The Settlement Administrator Costs shall be paid from the Gross Settlement Amount and shall not exceed $15,000. The difference between any actual costs and the allocated $15,000 shall be added to the Net Settlement Amount as defined in section 1.14.

5.4 Enhancement Payment: Plaintiff's Counsel, on behalf of Plaintiff, shall apply to the Court for an Enhancement Payment to Plaintiff in an amount not to exceed $10,000 to compensate for the risks, time, and expense of his involvement in the Action as the PAGA representative and securing

the benefits of this Agreement for Aggrieved Employees and the LWDA. The Enhancement Payment will be paid out of the Gross Settlement Amount, not in addition to the Gross Settlement Amount, which is in addition to any payment Plaintiff may receive as an Aggrieved Employee. This payment shall also be in exchange for a waiver of individual claims by Plaintiff beyond the PAGA, including a waiver of the protections Civil Code section 1542 for those individual claims. The Settlement Administrator will issue Plaintiff an IRS Form 1099 for any Enhancement Payment made under this Agreement.

5.5 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount allocated to Aggrieved Employees that was not claimed by Aggrieved Employees by cashing their respective settlement checks before the deadline to do so, that remaining amount shall be donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and Working Wardrobes under the doctrine of *cy pres*. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

5.6 No Additional Benefits Contributions: All Individual Settlement Amounts paid to Aggrieved Employees shall be deemed to be income solely in the year in which such amounts were actually received by Aggrieved Employees. It is expressly understood and agreed that the receipt of such Individual Settlement Amounts will not entitle any Aggrieved Employee to any new or additional compensation or benefits under any company bonus or other compensation or benefit plan or agreement in place during the period covered by the Agreement, nor will it entitle any Aggrieved Employee to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement Amounts provided for in this Agreement are the sole payments to be made by Defendants to the Aggrieved Employees in connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Agreement).

5.7 Tax Allocation: The Parties recognize that the Individual Settlement Amounts to be paid to Aggrieved Employees reflect settlement of a dispute over claimed penalties. The characterization of Individual Settlement Amounts to Aggrieved Employees are as follows:

5.7.1 One Hundred percent (100%) of each Aggrieved Employees' Individual Settlement Amount shall be allocated for payment of disputed civil penalties. This portion of the Individual Settlement Amount consists of other income, not wages, for which the Aggrieved Employees shall receive

an IRS form 1099-MISC.

5.7.2 Aggrieved Employees shall be solely responsible for the reporting and payment of their share of any federal, state and/or municipal income or other taxes on payments made pursuant to this Agreement. No party has made any representation to any of the other Parties as to the taxability of any payments pursuant to this Agreement, including the payments to Aggrieved Employees, the payments to Plaintiff's Counsel, or otherwise as to tax implications of any provision of this Agreement.

5.8 Pro Rata Distribution Formula: After Court approved attorneys' fees and costs, any Enhancement Payment, and Settlement Administrator Costs are determined and a Net Settlement Amount has been established, that Net Settlement Amount shall be divided between the PAGA Payment and payment to Aggrieved Employees. The PAGA Payment to the LWDA will be 75% of the Net Settlement Amount, and 25% of the Net Settlement Amount will be paid to Aggrieved Employees. Each individual Aggrieved Employee's Individual Settlement Amount shall be determined by taking the Qualifying Pay Periods for the individual Aggrieved Employee and dividing that by the Qualifying Pay Periods for all Aggrieved Employees and multiplying that fraction by the 25% share of the Net Settlement Amount. Payment to Aggrieved Employees of their Individual Settlement Amount will not require the submission of any claim form.

5.9 No Additional Contribution by Defendants: Defendants' monetary obligation under this Agreement is limited to the Gross Settlement Amount as described above. All other costs and expenses arising out of or in connection with the performance of this Agreement shall be paid from the Gross Settlement Amount, unless expressly provided otherwise herein. However, in the event this agreement is deemed null and void as described in Section 3, then Defendants and Plaintiff shall be equally responsible for the Settlement Administrator Costs incurred between the date the Agreement was executed and the date of such event.

6. RELEASE

6.1 Release by Aggrieved Employees: Upon the Effective Date, Plaintiff and each Aggrieved Employee shall be deemed to fully, finally, and forever release the Released Parties from all Released PAGA Claims.

6.2 Release by Plaintiff: Upon the Effective Date, Plaintiff will be deemed to fully, finally and

forever release the PAGA Representative's Released Claims as to all Released Parties.

7. SETTLEMENT ADMINISTRATION

7.1 Duties of Settlement Administrator: The Settlement Administrator shall be responsible for: 1) receiving and reviewing for accuracy Aggrieved Employee contact information; 2) calculating estimated Individual Settlement Amounts and any and all taxes associated with the Individual Settlement Amount, including employer taxes, if any; 3) taking appropriate steps to trace and locate any individual Aggrieved Employees whose address or contact information as provided to the Settlement Administrator is inaccurate or outdated and mailing the Notice of Settlement to Aggrieved Employees; 4) providing notification to the appropriate state officials of this Agreement as required; 5) maintaining the Gross Settlement Amount in a QSF; 6) determining and paying the final amounts due to be paid under the Agreement after resolution of awarded attorneys' fees and costs, any Enhancement Payment, and Settlement Administrator Costs; 7) paying any residual funds from uncashed checks to the *cy pres* beneficiaries; 8) reporting to Plaintiff's Counsel and Defendants' Counsel regarding the statistics of the administration, including (a) the number of initial Notice of Settlements mailed; (b) the number of forwarded Notice of Settlements; (c) the number of re-mailed Notice of Settlements; (d) the number of total undeliverable Notice of Settlements; (e) the number of address traces performed for undeliverable Notice of Settlements; (g) the number of Notice of Settlements undeliverable from traced addresses; 9) providing a declaration to the Court regarding the final statistics of the administration and compliance with all payment obligations under the Agreement; 10) completing all necessary tax reporting on the QSF and payment of the Individual Settlement Amounts to Aggrieved Employees; and 11) carrying out other related tasks as necessary to effectuate the terms of this Agreement and any Order of the Court. All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until all payments and obligations contemplated by the Agreement have been fully executed.

7.2 Aggrieved Employee Data: Within seven (7) calendar days after the Effective Date, Defendants shall provide the Settlement Administrator with the name, last known mailing address, last known telephone number, Social Security Number, and Qualifying Pay Periods of each Aggrieved Employee. The Settlement Administrator shall review the data to determine the number of Qualifying

Pay Periods for each Aggrieved Employee. Defendants shall not provide any information for pay periods during which an Aggrieved Employee may have worked as an exempt employee, worked outside California, or worked outside the PAGA Claim Period. The Settlement Administrator shall maintain all information received from Defendants confidential to itself, and Defendants' Counsel. However, Plaintiff's Counsel shall be able to review the breakdown of Qualified Pay Periods and estimated Individual Settlement Amounts for Aggrieved Employees prior to mailing for quality assurance.

7.3 Determination of Payments to Aggrieved Employees, Plaintiff's Counsel, and the LWDA: Within seven (7) calendar days after Defendants have provided the Settlement Administrator with information regarding Aggrieved Employees, the Settlement Administrator shall calculate the final Net Settlement Amount, PAGA Payment, and the final Individual Settlement Amounts for Aggrieved Employees, and report the results of these calculations to Plaintiff's Counsel and Defendants' Counsel.

7.4 Settlement Administrator Payments to Aggrieved Employees, Plaintiff's Counsel, and the LWDA: Defendants shall wire the Gross Settlement Amount as described in Section 5.1 to the Settlement Administrator within twenty-eight (28) calendar days after the Effective Date to be to be held in trust in a QSF. Within seven (7) calendar days after the Settlement Administrator receives the Gross Settlement Amount, the Settlement Administrator shall deliver payment of Plaintiff's Counsels' attorney's fees and costs, any Enhancement Payment, the PAGA Payment payable to the LWDA, Settlement Administrator Costs, and payment for Individual Settlement Amounts to Aggrieved Employees as required under this Agreement and approved by the Court. Plaintiff's Counsel shall provide the Settlement Administrator with the pertinent taxpayer identification number and payment instructions for the attorney's fees and costs after the Effective Date.

7.5 Notice to Aggrieved Employees: The Settlement Administrator will provide a Notice of Settlement, substantially in the form attached as Exhibit 1, to each Aggrieved Employee concurrently with providing payment for Individual Settlement Amounts as described in Sections 5.8 and 7.4. The Notice of Settlement will inform Aggrieved Employees of a summary of the terms and conditions of the Agreement. The Notice of Settlement will also inform Aggrieved Employees of the Gross Settlement Amount, Net Settlement Amount, attorneys' fees and costs allocations, any Enhancement Payment, Settlement Administrator Cost allocations, PAGA Payment allocations, the scope of individuals covered

by this Agreement, and the nature and extent of the Released PAGA Claims.

7.6 Aggrieved Employee Mailing: Within seven (7) calendar days after the Settlement Administrator receives the Gross Settlement Amount, the Settlement Administrator will perform a national change of address ("NCOA") search, update the addresses per the results of the NCOA search and will mail the respective Individual Settlement Amount, as determined in Sections 5.8 and 7.4, and Notice of Settlement, to each Aggrieved Employee by first-class mail, postage prepaid.

7.7 Returned and/or Re-mailed Notice Packets: In the event that a Notice of Settlement and Individual Settlement Amount payment is returned to the Settlement Administrator as undeliverable, the Notice of Settlement and Individual Settlement Amount payment shall be sent to the forwarding address affixed thereto within seven (7) calendar days. If no forwarding address is provided, then the Settlement Administrator shall promptly attempt to determine a correct address using a single skip-trace, computer or other search using the name, address and/or Social Security number of the individual involved, and shall then perform a single re-mailing within seven (7) calendar days. Following each search that does not result in a corrected address, for those Aggrieved Employees who appear to be current employees of Defendants at the time of the Effective Date, the Settlement Administrator shall contact Defendants' Counsel for assistance and Defendants shall cooperate in good faith with the Settlement Administrator's reasonable efforts to obtain valid mailing addresses for Aggrieved Employees to the extent they were active employees of Defendants at the time of the Effective Date. In the event the procedures in this paragraph are followed and the intended recipient of a Notice of Settlement and Individual Settlement Amount payment still does not receive the Notice of Settlement and/or Individual Settlement Amount payment, the Aggrieved Employee shall still be bound by all terms of the Agreement, including the releases contained in Sections 1.25 and 6.1, and any final judgment entered by the Court.

7.8 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.2 to 7.7 shall constitute due and sufficient notice to Aggrieved Employees of the Action and the Agreement and shall satisfy Aggrieved Employees' due process rights. Nothing else shall be required of the Parties, Plaintiff's Counsel, or Defendants' Counsel to provide notice of the Agreement except as expressly required by the Court.

7.9 Settlement Check Expiration and Cy Pres: The Settlement Administrator shall issue

Individual Settlement Amounts to Aggrieved Employees in the form of a check, which shall become null and void if not deposited within one hundred eighty (180) calendar days of issuance. After one hundred eighty (180) calendar days of issuance, the checks shall be voided and funds from all undeposited checks shall be transmitted to the *cy pres* beneficiaries identified in Section 5.5. The Settlement Administrator shall deliver the *cy pres* funds within fourteen (14) calendar days after the check cashing deadline.

7.10 Settlement Administrator Declaration Regarding Settlement Administration: Within twenty-one (21) calendar days after the last day for Aggrieved Employees to cash their settlement checks, the Settlement Administrator shall provide Plaintiff's Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete and detailed report regarding the settlement administration and that all the obligations of the Settlement Administrator have been completed.

8. SETTLEMENT ADMINISTRATION SCHEDULE

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Aggrieved Employees, and sets further hearings, if any. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The schedule for notice and payment procedures carrying out the Agreement is as follows.

Last day for Defendants to provide Settlement Administrator with Aggrieved Employee information	Within 7 calendar days after the Effective Date
Last day for Settlement Administrator to calculate and report to the Parties the Net Settlement Amount, PAGA Payment, and Individual Settlement Amounts for Aggrieved Employees	Within 7 calendar days after receiving Aggrieved Employee information

Last day for Defendants to fund Gross Settlement Amount	Within 28 calendar days after the Settlement Administrator calculates and reports to the Parties the Net Settlement Amount, PAGA Payment, and Individual Settlement Amounts for Aggrieved Employees
Last day for Settlement Administrator to complete NCOA search, update Aggrieved Employee mailing information, and complete mailing	Within 7 calendar days after Defendants have funded the settlement
Last day for Settlement Administrator to deliver payment of Plaintiff's Counsel's attorney's fees and costs, PAGA Payment, any Enhancement Payment, Settlement Administrator Costs, and payment to Aggrieved Employees	Within 7 calendar days after Defendants have funded the settlement
Last day for Aggrieved Employees to cash settlement checks	180 calendar days after issuance of checks to Aggrieved Employees
Last day for Settlement Administrator to deliver value of uncashed settlement checks to *cy pres* beneficiaries	Within 14 calendar days after settlement check cashing deadline
Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

9. MISCELLANEOUS TERMS

9.1 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, the Agreement shall be effective as a judgment, with the Court to retain jurisdiction over the Parties to enforce the terms of the Agreement pursuant to Civil Procedure Code section 664.6. The prevailing party in any action to enforce the terms of the Agreement shall be entitled to reasonable attorneys' fees and costs. The Parties agree to meet and confer in good faith to resolve any issue before any such motion for attorney's fees and costs is filed.

9.2 Additional Pay Period Contingency: Defendants have represented that there are no more than 52,306 pay periods as of February 7, 2026. In the event the number of pay periods during the PAGA Claim Period exceeds 52,306 by more than 15% (*i.e.*, by 7,846), then Defendants shall have the option to either (i) end the PAGA Period as of the date that 60,152 pay periods have been worked by the Aggrieved Employees, or ii) increase the Gross Settlement Amount on a pro rata basis equal to the percentage increase exceeding 15% (For example, if the number of pay periods exceeds 52,306 by 16%, the Gross Settlement Amount will increase by 1%.

9.3 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other action as may reasonably be necessary to fulfill the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by Court order, or otherwise, to effectuate this Agreement and the terms set forth herein. This may include modifying and/or resubmitting the Agreement for approval. Plaintiff's Counsel shall be responsible for drafting the court approval paperwork. All parties agree to act immediately and diligently to perform their obligations under this Agreement, including the review and approval of settlement documents, such that there are no substantial delays in seeking court approval or administration of this settlement. Plaintiff's Counsel shall endeavor to file a motion for approval of this settlement within sixty (60) calendar days of the date this Agreement is signed. Plaintiff's Counsel shall provide Defendants' Counsel with a draft approval motion within 1 week after this Agreement is fully executed. Defendants' Counsel will provide comments and/or proposed revisions within 1 week after receipt of the draft motion.

9.4 No Admission of Liability: Neither the acceptance nor the performance by Defendants of the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the Complaint, the representative character of the Action, the validity of any of the claims that were or could have been asserted by Plaintiff and/or Aggrieved Employees in the Action, or of any liability or guilt of Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Aggrieved

Employees, or any other person, and Defendants have specifically disclaimed any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Aggrieved Employees, or any other person. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement). Each of the Parties has entered into this Agreement with the intention to avoid further disputes and litigation.

9.5 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. The Parties agree not to issue press releases, communicate with, or respond to, any media or publication entities concerning the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement prior to approval and Entry of Judgment, except as required by law or as shall be contractually required to effectuate the terms of the Settlement as set forth herein. Nothing stated herein shall prohibit Plaintiff's Counsel from discussing the Settlement, the fact of Settlement, and its terms and conditions: (i) in court filings, including in their respective firm resumes, and/or (ii) in all necessary motions and supporting memoranda related to approval of the Settlement, or any filings with the LWDA. This provision also does not limit Plaintiff's Counsel from complying with ethical obligations or responding to inquiries from PAGA Members. Following Entry of Judgment, Plaintiffs and Plaintiff's Counsel shall not issue press releases, communicate with, or respond to, any media or publication entities concerning the Settlement, and shall not post any information on their respective websites or in other advertising that identifies the Actions or Settlement in any matter that identifies Defendants. Nothing in this agreement prevents Aggrieved Employees from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Aggrieved Employees have reason to believe is unlawful. Further, nothing precludes Aggrieved Employees from exercising their rights under Section 7 of the NLRA or under similar state law to engage in protected, concerted activity with other employees, including discussing compensation or terms and conditions of employment.

9.6 Use and Return of PAGA Member Data. Information provided to Plaintiff's Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Member Data provided to

Plaintiff's Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of PAGA Member Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants makes a written request to Plaintiff's Counsel for the return, rather than the destruction, of PAGA Member Data.

9.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed or agreed to by all Parties or their representatives, and approved by the Court. Plaintiff and Defendants expressly agree that should the Parties agree to amend, modify, change, or waive this Agreement, or any part of it, Class Counsel and Defense Counsel are authorized to submit to the Court any amendments of this Agreement, amended Agreements, or amendments to the Agreement, on behalf of the Parties once fully executed, which includes, but is not limited to, authorization of the use of signatures previously provided by the Parties.

9.8 Enforcement Action. If one or more of the Parties institute any legal action, motion, or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and or obligations under this Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with any such enforcement action or proceeding, including any appeal.

9.9 Notices: 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, return receipt requested, addressed as follows:

To the Plaintiff:

Galen T. Shimoda, Justin P. Rodriguez and Renald Konini
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624

To Defendants:

Donald P. Sullivan
Jackson Lewis P.C.
50 California St. 9th Floor
San Francisco, California 94111

9.10 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Agreement.

9.11 Binding Effect of Agreement: The Parties, by signing this Agreement, are bound by the terms herein. The Parties waive their rights to file an appeal, writ, or any challenge whatsoever to the terms of this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, Settlement Administrators, successors, and assigns.

9.12 Attorneys' Fees and Costs Limitations: Neither Plaintiff's Counsel nor any other attorneys acting for, or purporting to act for, Aggrieved Employees, or Plaintiff, may recover or seek to recover any amounts for fees, costs, or disbursements from the Released Parties or the Gross Settlement Amount except as expressly provided herein.

9.13 No Modifications: This Agreement may not be changed, altered, or modified, except in writing signed by the Parties hereto and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms.

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

9.15 Counterparts: This Agreement shall become effective upon its execution by all of the undersigned. Plaintiff, Plaintiff's Counsel, Defendants and Defendants' Counsel may execute this Agreement in counterparts, and execution of counterparts shall have the same force and effect as if each had signed the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the

same force and effect of originals.

9.16 Choice of Law: The Agreement and the exhibits hereto shall be considered to have been negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and the rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance with, and governed by, the substantive laws of the State of California without giving effect to that State's choice of law principles.

9.17 Headings and Captions: Paragraph titles or captions contained in the Agreement 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 thereof.

9.18 No Retaliation or Discouragement: The Parties agree they will take no action that could be construed as retaliation against any Aggrieved Employees for participating in this settlement.

9.19 Integrated Agreement: This Agreement sets forth the entire understanding between the Parties with regard to any and all material terms or otherwise and supersedes any and all prior agreements, oral or written, pertaining to the subject matter herein. Each party acknowledges that there is no representation, inducement, promise or agreement which has been made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement, which is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent that the terms of this Agreement are fully understood and voluntarily accepted by the Parties.

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

9.21 Severability: Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendants' Counsel and Plaintiff's Counsel, on behalf of the Parties and the Aggrieved Employees, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable

provision had never been included in this Agreement.

9.22 Waiver of Compliance: No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Plaintiff:

Date: 08/05/2026

Jason Thao (Aug 5, 2026 13:09:40 PDT)
Jason Thao

For Defendants:

Date: 08/19/2026

David Luttway (Aug 19, 2026 14:45:22 EDT)
By: David Luttway
For Pittsburg Wholesale Grocers, Inc.

Date: 08/19/2026

David Luttway (Aug 19, 2026 14:45:22 EDT)
By: David Luttway
For Pacific Groservice, Inc.

APPROVED AS TO FORM

Shimoda & Rodriguez Law, PC

Dated: 08/05/2026

By: _____
Galen T. Shimoda, Justin P. Rodriguez and Renald Konini
Attorneys for Plaintiff and Aggrieved Employees

APPROVED AS TO FORM

JACKSON LEWIS P.C.

Dated: 08/19/2026

By: _____
Donald P. Sullivan
Attorneys for Defendants

Exhibit 1

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

JASON THAO, individually and on behalf of all other similarly situated employees, Plaintiff, vs. PITTSBURG WHOLESALE GROCERS, INC., a California Corporation; PACIFIC GROSERVICE, INC., a California Corporation; PERI NAVAB, an individual; DAVID LUTTWAY, an individual; REZA NEGHABAT, an individual; and DOES 1 to 100, inclusive, Defendants.	**Case No. 23CV005801** **NOTICE OF PRIVATE ATTORNEY'S GENERAL ACT SETTLEMENT PAYMENT**

TO: **A**ll non-exempt employees who worked for Pittsburg Wholesale Grocers, Inc., and/or Pacific Groservice, Inc., in California from July 28, 2022, through July 4, 2026. (the "Aggrieved Employees")

This Notice is being provided to you to inform you of a Private Attorneys General Act ("PAGA") Settlement and your proportional share of this settlement payment. The payment is a result of a Court approved PAGA settlement in the case of *Thao v. Pittsburg Wholesale Grocers, Inc.*, *et al.,* Sacramento County Superior Court Case No. 23CV005801, filed August 1, 2023 (the "Action"). You are receiving this letter because you fall within the definition of Aggrieved Employees identified above.

In the Action, Plaintiff Jason Thao ("Plaintiff") sought to obtain civil penalties, fees, and costs on behalf of himself and Aggrieved Employees. Plaintiff alleged that Pittsburg Wholesale Grocers, Inc., and Pacific Groservice, Inc. ("Defendants") violated California law by 1) failing to pay overtime, 2) failing to pay minimum wages, 3) failing to provide meal periods or pay premiums in lieu thereof, 4) failing to provide rest periods or pay premiums in lieu thereof, 5) failing to provide accurate wage statements, 6) failing to pay final wages, 7) failing to maintain accurate records, 8) failing to provide sick leave, and 9) failing to pay vested vacation time. Plaintiff also alleged that these violations were caused by, and through, Defendants' officers and directors, causing violations of California Labor Code §§ 558 & 558.1. Defendants have denied all of Plaintiff's allegations.

This notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Action or the merits of the claims or defenses asserted. Defendants have denied engaging in any unlawful conduct in any respect and further disputes all of Plaintiff's allegations in the Action. By entering into the PAGA Settlement, Defendants do not admit any liability to Plaintiff or to any other current or former employees, and Defendants do not admit that any violations of Plaintiff's rights, or the rights of any other current or former employees has occurred.

Plaintiff filed notices with the California Labor and Workforce Development Agency ("LWDA") to exhaust administrative remedies and pursue claims under the PAGA, California Labor Code §§ 2698 *et seq.*, predicated on the claims outlined above. The scope of the PAGA Settlement includes all Aggrieved Employees as defined above. In exchange for payment under the Settlement, Plaintiff has agreed to waive any and all claims for civil penalties that were brought under the PAGA that were asserted in Plaintiff's notice letters to the LWDA and any additional claims for civil penalties under the PAGA that could have been brought based on the facts alleged therein between from July 28, 2022, through July 4, 2026. Aggrieved Employees cannot opt out of this waiver of claims. However, the waiver does not extend to any non-PAGA claims you may have.

Under the terms of the Settlement, Defendants have agreed to pay a Gross Settlement Amount of $300,000 to resolve the PAGA claims ("Gross Settlement Amount"). Deducted from this Gross Settlement Amount were sums approved by the Court for attorneys' fees ($_____), attorneys' costs ($_____), the fees and expenses of the Settlement Administrator ($_____), and an Enhancement Payment to Plaintiff ($_____), which will resulted in a "Net Settlement Amount" of $_____ for distribution to between Aggrieved Employees and the Labor and Workforce Development Agency ("LWDA") as required by the California Labor Code. 75% of the Net Settlement Amount ($_____) is being paid to the LWDA and 25% of the Net Settlement Amount ($_____) is being paid to Aggrieved Employees as required under the PAGA. Each individual Aggrieved Employee's share of the Net Settlement

Amount was determined by taking their individual number of pay periods worked between from July 28, 2022, through July 4, 2026, dividing that number by the number of pay periods worked for all Aggrieved Employees between from July 28, 2022, through July 4, 2026, and then multiplying that fraction by the 25% share of the Net Settlement Amount.

Enclosed in this mailing, you will find a check containing your share of the PAGA Settlement based on this allocation. Should you have any questions or concerns, you may contact counsel for Plaintiff and/or Defendants.

Galen T. Shimoda
Justin P. Rodriguez
Renald Konini
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
On behalf of Plaintiff

Donald Sullivan
Jackson Lewis P.C.
50 California St. 9th Floor
San Francisco, California 94111
Phone: 415-796-5453
On behalf of Defendants