PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement is made by Plaintiff Daniel Jaimez Gutierrez ("Plaintiff"), individually and on behalf of all Aggrieved Employees (as hereinafter defined) and the Labor Workforce Development Agency ("LWDA") pursuant to the Private Attorneys General Act ("PAGA") on the one hand, and Defendants Wholesome Choice Market, Inc., Sivoush Nayyeri, and Armando Valentin (collectively, "Defendants") on the other hand. This PAGA Settlement Agreement is subject to the approval of the Court pursuant to Labor Code section 2699(l)(2).

I. NATURE OF THE CASE AND THE PARTIES' SETTLEMENT

1. The Parties and PAGA Counsel. Plaintiff and Defendants are collectively referred to as "the Parties." "PAGA Counsel" refers to Pouya B. Chami of Chami Law, PC.

2. The Action. On November 30, 2023, Plaintiff submitted a claim notice to the LWDA asserting various violations of the Labor Code against Defendants and was assigned LWDA case number LWDA-CM-997186-23 (the "PAGA Notice"). On February 20, 2024, Plaintiff filed a representative action under PAGA against Defendants in the Superior Court of the State of California, County of Orange, Case No. 30-2024-01381199-CU-OE-CXC ("Action"). The Action asserts claims against Defendants on behalf of Plaintiff, the LWDA, and all current and former non-exempt employees employed by Defendants in California ("Aggrieved Employees") during the period beginning November 30, 2022 through the date the Court grants approval of this settlement ("PAGA Period").

3. Plaintiff's Contentions. As alleged in the Action, Plaintiff contends that Defendants: (1) failed to pay Plaintiff and Aggrieved Employees all wages for all hours worked; (2) failed to accurately pay overtime and double-time wages; (3) failed to provide compliant meal and rest periods and failed to pay meal and rest period premiums; (4) failed to provide accurate, itemized wage statements; (5) failed to timely pay all wages due at separation; (6) failed to maintain accurate payroll and time records; and (7) used multiple related entities to avoid payment of earned overtime wages and related wage entitlements. Plaintiff further contends that Defendants

violated Labor Code §§ 201, 202, 203, 226(a), 226.3, 226.7, 226.8, 246, 510, 551, 552, 558, 558.1, 1102.5, 1174, 1174.5, 1194, and 1199. Plaintiff seeks to recover civil penalties under PAGA on behalf of himself, Aggrieved Employees, and the LWDA for Defendants' alleged violations of the Labor Code.

4. Defendants' Contentions. Defendants deny any liability or wrongdoing as alleged by Plaintiff. Defendants contend that they complied with all applicable California Labor Code provisions, timely paid Plaintiff and Aggrieved Employees all wages owed, provided compliant meal and rest periods or paid any premiums owed, issued accurate and complete wage statements, maintained accurate records, and timely paid all wages due upon separation. Defendants deny each of the allegations and claims asserted against it in the Action. However, Defendants nevertheless desire to settle the Action for the purpose of avoiding the burden, expense and uncertainty of continuing litigation and for the purpose of putting to rest the controversies engendered by the Action.

5. Investigation. PAGA Counsel has diligently investigated the facts and claims alleged in the Action, including the allegations concerning off-the-clock work, overtime and double-time compensation, meal and rest period compliance, wage statements, final wages, payroll practices, and Defendants' alleged use of multiple entities in connection with compensation practices. Plaintiff and PAGA Counsel believe this settlement is in the best interests of Aggrieved Employees based on all known facts and circumstances, including the risks of continued litigation, delay, defenses asserted by Defendants, and the uncertainty of further proceedings.

6. Cooperation. The Parties agree to cooperate and take all steps necessary and appropriate to effectuate the terms of this Settlement Agreement.

II. TERMS OF SETTLEMENT

7. Purpose of the Parties. The Parties agree that the Action be settled on the following terms subject to the approval of the Court.

8. Settlement "Effective Date." The settlement embodied in this Settlement Agreement shall become effective on the later of:

(a) The Court's approval of the settlement, and the sixty (60) day time period to appeal the Judgment entered by the Court incorporating the terms of the settlement has expired, or

(b) Fourteen (14) days after the final resolution of any appeal that has been filed.

9. Gross Settlement Fund. In consideration for the release of the claims against Defendants, Defendants agree to create a "Gross Settlement Fund" of Fifty-Thousand Dollars ($50,000.00), as a full and complete settlement of all claims for civil penalties under PAGA that were alleged in the Action or could have been alleged based on the facts alleged in the Action. This Gross Settlement Fund constitutes a common fund for the payment of all claims hereunder, including attorney's fees and litigation costs to PAGA Counsel, and settlement administration costs. The settlement is non-reversionary, and the entire Gross Settlement Fund will be paid by Defendants. The Gross Settlement Fund Amount is based on Defendant's representation that there are about 173 individuals who worked approximately 5,266 pay periods in the PAGA Period at the time of execution of this PAGA Settlement Agreement.

10. Net Settlement Fund. The "Net Settlement Fund" is the balance of the Gross Settlement Fund after payments have been made for attorney's fees and litigation costs to PAGA Counsel, and costs of settlement administration.

11. LWDA Payment. Seventy-five percent (75%) of the Net Settlement Fund will be paid to the LWDA pursuant to PAGA. The remaining twenty-five percent (25%) of the Net Settlement Fund will be paid to Aggrieved Employees.

12. Payments to Aggrieved Employees from Net Settlement Fund. The twenty-five percent (25%) of the Net Settlement Fund will be paid to Aggrieved Employees calculated by a pro rata formula based on the number of pay periods during the PAGA Period that Aggrieved Employees worked for Defendant. To determine an Aggrieved Employee's settlement amount, the twenty-five percent (25%) Net Settlement Fund will be divided by the total number of pay periods

worked by all Aggrieved Employees during the PAGA Period, multiplied by the number of pay periods worked by that Aggrieved Employee during the PAGA Period.

13. Attorneys' Fees and Costs. Through the Parties' joint stipulation for approval of the PAGA Settlement, PAGA Counsel will apply to the Court for, and Defendants will not oppose, payment of PAGA Counsel's fees from the Gross Settlement Fund in the amount of Fifteen Thousand Dollars ($15,000.00) and litigation costs in the amount of no more than Five Thousand Dollars ($5,000.00). If the Court approves less than the amount requested by PAGA Counsel, the difference between the requested and awarded amounts will be included in the Net Settlement Fund and distributed pro rata to Aggrieved Employees as set forth in Paragraph 12.

14. Settlement Administration Costs. The reasonable costs of settlement administration through and beyond approval of the settlement are estimated to be no more than Ten Thousand Dollars and Zero Cents ($10,000.00), and shall be paid from the Gross Settlement Fund. If the Settlement Administrator's costs are less than that amount, the difference will be included in the Net Settlement Fund and distributed pro rata to Aggrieved Employees as set forth in Paragraph 12. If the Settlement Administrator's fees and costs are more than that amount, the additional fees and costs will be paid from the Gross Settlement Fund.

15. Taxes. Because the entire amount paid to Aggrieved Employees constitutes penalties under PAGA and not wages, no withholding will be made from the settlement payment to Aggrieved Employees. The Settlement Administrator will report the settlement payments to Aggrieved Employees on a 1099. The Parties agree that it is the obligation of the Aggrieved Employees to pay any appropriate federal, state, and local income taxes on all payments they receive under this Settlement Agreement. Neither PAGA Counsel nor Defendant's Counsel intend anything contained in this Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall anything in this Settlement be relied upon as such.

Circular 230 Disclaimer: Each Party to this Agreement acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR part 10, as amended); (2) each Party (a) has relied exclusively upon his, her or its own independent legal and tax counsel for advice (including tax advice) in connection with this Agreement; (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed; and (3) no attorney or adviser to any Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by any other Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

III. SETTLEMENT ADMINISTRATOR

16. Appointment. The Parties have agreed to the appointment of ILYM to perform the duties of Settlement Administrator for the purpose of issuing and mailing settlement checks, providing status reports, resolving disputes regarding the amount of the settlement payments to Aggrieved Employees, issuing and mailing 1099s, and reporting the payments to the appropriate taxing agencies. Within thirty (30) days from the mailing of the settlement payments to Aggrieved Employees and the LWDA, and the attorney's fees and litigation costs to PAGA Counsel, the Settlement Administrator shall prepare a declaration for the Court certifying that all settlement payments have been made. The Settlement Administrator shall provide such other reports as requested by counsel for the Parties or the Court.

IV. NOTICE TO THE LWDA

17. Notice of Settlement. Plaintiff and PAGA Counsel shall provide notice of the settlement to the LWDA pursuant to PAGA.

V. FUNDING OF SETTLEMENT

18. Funding of Settlement. The Gross Settlement Fund will be wired by Defendant to the Settlement Administrator within fifteen (15) days of the Effective Date. Settlement payments

shall be mailed by regular First-Class U.S. Mail to the LWDA and to Aggrieved Employees at their last known mailing address. Settlement checks which are uncashed after One Hundred Twenty (120) days of issuance of the check shall be tendered to the State Controller's Office, Unclaimed Property Division in the name of the Settlement Class Member and the amount of the check was cancelled.

VI. RELEASE BY THE NAMED PLAINTIFF AND THE CLASS

19. Scope of Release. Upon the approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the LWDA, Plaintiff, and each Aggrieved Employee fully releases and discharges Defendants, and its past, present and/or future, direct and/or indirect, owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers (collectively "Released Parties"), from all claims for civil penalties under PAGA that were or could have been asserted based on the facts alleged in the Action, including but not limited to Defendants' alleged: (1) failure to pay all wages for all hours worked; (2) failure to accurately pay overtime and double-time wages; (3) failure to timely pay wages during employment and at separation; (4) failure to provide compliant meal and rest periods and failure to pay meal and rest period premiums; (5) failure to issue accurate, itemized wage statements; (6) failure to maintain accurate payroll and time records; (7) failure to provide paid sick leave; (8) failure to provide days of rest; (9) use of multiple related entities to avoid payment of earned overtime wages and related wage entitlements; and (10) alleged violations of Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Orders, including inter alia, Wage Orders 4-2001 and 5-2001 ("Released Claims").

VII. JUDICIAL APPROVAL

20. Judicial Approval of the Settlement. This settlement is subject to approval by the Superior Court of the State of California, County of Orange. As soon as practicable after execution

of this Settlement Agreement, Plaintiff shall apply to the Court for an Order approving this settlement pursuant to PAGA, Labor Code section 2699(l)(2). Plaintiffs and Defendants agree to take all steps as may be reasonably necessary to secure both preliminary approval and final approval of the Settlement, to the extent not inconsistent with the terms of this Agreement, and will not take any action adverse to each other in obtaining approval by the Court, and, if necessary, appellate approval, of the Settlement in all respects. Plaintiffs and Defendant expressly agree that they will not file any objection to the terms of the Settlement or assist or encourage any person or entity to file any such objection.21. Voiding Settlement. If the Court does not approve any material term or condition of this Settlement Agreement, then this entire Settlement Agreement shall be void and unenforceable as to all Parties, and the Parties shall be restored to their respective positions in the Action as of the date the Settlement was reached.

VIII. MISCELLANEOUS PROVISIONS

22. Voluntary Nature. The Parties acknowledge that they have entered into this Settlement Agreement voluntarily, on the basis of their own judgment and without coercion, duress, or undue influence of any Party, and not in reliance on any promises, representations, or statements made by the other Parties other than those contained in this Settlement Agreement. Each of the Parties expressly waives any right to claim that this Settlement Agreement was in any way induced by fraud.

23. Informed Consent. Prior to execution of this Settlement Agreement, each Party has read this entire Settlement Agreement and been given the opportunity to consult with independent counsel of their choosing and to have such independent counsel advise as to the meaning of this Agreement and its legal effect.

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

25. Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this

Settlement Agreement. The Parties shall use their reasonable best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein.

26. No Admissions. Nothing contained herein is to be construed or deemed an admission of liability by Defendant. Each Party hereto has entered into this Settlement Agreement with the intention to avoid further disputes and the expense and inconvenience of litigation.

27. Enforcement. If a Party to this Settlement Agreement institutes any legal action, arbitration, or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights or obligations under this Settlement Agreement, then the prevailing Party shall recover from the unsuccessful Party, reasonable attorneys' fees and costs.

28. Employee Benefits. The amounts paid under this Settlement Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan or policy sponsored by Defendant or Released Parties. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, any benefit plans, policies or programs. Any payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently or on a going-forward basis as salary, earnings, wages or any other form of compensation for the purposes of any sponsored benefit plan, policy or bonus program, including, but not limited to, vacation, leave, and sick policies. Defendant and Released Parties retain the right to modify the language of any benefit plans, policies and programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement Agreement are not for any measuring term as defined by applicable plans, policies, and programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

29. Construction. The Parties agree that this Settlement Agreement is the result of lengthy, intensive arms-length negotiations between the parties and that this Settlement Agreement

shall not be construed in favor of or against any Party by reason of the extent to which that Party has participated in the drafting of this Settlement Agreement.

30. Captions and Interpretations. Paragraph titles or captions contained herein appear as a matter of convenience and for reference, and in no way define the scope of this Settlement Agreement or any provision hereof.

31. Modifications. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

32. Waiver. No waiver of any of the terms of this Settlement Agreement shall be valid unless in writing and signed by the party to this Settlement Agreement against whom such waiver is sought to be enforced. The waiver by any Party to any provision of this Settlement Agreement shall not operate or be construed as a waiver of any subsequent breach by any Party, nor shall any waiver operate or be construed as a rescission of this Settlement Agreement.

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

34. No Prior Assignments. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

35. Governing Law. This Settlement Agreement is made and entered into under the laws of the State of California, and shall be interpreted, applied and enforced under those laws,

and any litigation concerning this Settlement Agreement shall be in the Superior Court of the County of Orange, State of California.

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36. Execution. This Settlement Agreement may be executed via facsimile or email, in multiple counterpart copies, each of which shall be deemed an original.

IN WITNESS WHEREOF: the undersigned have duly executed this Agreement as of the date indicated below:

Dated: ____________________ By: ______________________________
Daniel Jaimez Gutierrez
Plaintiff and on behalf of Aggrieved
Employees and the LWDA

Dated: 06-26-2026 By: ______________________________
Defendant Wholesome Choice Market, Inc.
By: Sivoush Nayyeri, its President

Dated: 06-26-2026 By: ______________________________
Defendant Sivoush Nayyeri

Dated: 06-26-2026 By: ______________________________
Defendant Armando Valentin

Dated: ____________________ By: ______________________________
Pouya B. Chami
Chami Law, PC
Attorneys for Plaintiff, Aggrieved
Employees and the LWDA

Dated: 06/26/26 By: ______________________________
Corinne Spencer, Esq.
Pearlman, Brown, & Wax, LLP
Attorneys for Defendants

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IN WITNESS WHEREOF: the undersigned have duly executed this Agreement as of the date indicated below:

Dated: 6/26/26 By: Daniel J G

Daniel Jaimez Gutierrez
Plaintiff and on behalf of Aggrieved
Employees and the LWDA

Dated: ______________ By: ______________

Defendant Wholesome Choice Market, Inc.
By: Sivoush Nayyeri, its President

Dated: ______________ By: ______________

Defendant Sivoush Nayyeri

Dated: ______________ By: ______________

Defendant Armando Valentin

Dated: 6/26/26 By: ______________

Pouya B. Chami
Chami Law, PC
Attorneys for Plaintiff, Aggrieved
Employees and the LWDA

Dated: ______________ By: ______________

Corinne Spencer, Esq.
Pearlman, Brown, & Wax, LLP
Attorneys for Defendants