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12 Attorneys for Plaintiff
13 Nicole Torres and the Proposed Class

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **FOR THE COUNTY OF SAN FRANCISCO**

16 NICOLE TORRES, individually, and on
17 behalf of other members of the general
18 public similarly situated and on behalf of
19 other aggrieved employees pursuant to the
California Private Attorneys General Act;

20 Plaintiff,

21 v.

22 RAINBOW GROCERY COOPERATIVE,
INC., a California corporation; and DOES 1
23 through 100, inclusive,

24 Defendants.
25
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Case No.: CGC-24-612573

**DECLARATION OF DEVIN E.
RAUCHWERGER IN SUPPORT OF
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

Hearing Information:

Date: November 4, 2025
Time: 11:00 AM
Dept.: 304
Judge: Hon. Ethan P. Schulman

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1. I am an attorney at law duly licensed to practice before all of the courts of the State of California, and I am a partner at Domb & Rauchwerger LLP (“Class Counsel”) attorneys of record for Plaintiff Nicole Torres (“Plaintiff” or “Class Representative”) and the proposed settlement class (the “Class”) in the above-captioned matter. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath. I submit this declaration in support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement (the “Motion”).

3. Defendant Rainbow Grocery Cooperative, Inc. runs a grocery store in San Francisco that has operated since 1975. Plaintiff worked for Defendant as a non-exempt, hourly employee from approximately June 2023 through September 2023.

5. On February 22, 2024, Plaintiff filed the above-entitled civil complaint alleging eleven causes of action for: 1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime), 2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), 3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), 4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages), 5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid), 6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment), 7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), 8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records), 9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses), 10) Violation of California Business & Professions Code §§ 17200, et seq. (Unfair Business Practices), and 11) Violation of

1 California Labor Code §§ 2698, et seq. (California Labor Code Private Attorneys General Act of
2 2004) (“Operative Complaint”).

3 6. Lawyers for Justice filed a Notice of Association on June 20, 2024, associating in
4 my office into the case.

5 7. On August 1, 2024, Plaintiff propounded written discovery on Defendant,
6 including special interrogatories, form interrogatories and requests for production of documents.
7 Defendant provided its initial responses on October 4, 2024, followed by a production of
8 documents in November 2024 consisting of approximately 3,000 pages of documents, including
9 handbooks, policies and a sampling of employee records including time sheets and payroll
10 records. Defendant also produced numerous pick-up-stix agreements signed by putative class
11 members, and continued to produce such records through March 4, 2025. The Parties agreed to
12 engage in a *Belaire-West* process in order for Plaintiff to obtain the contact information of putative
13 class members. Defense counsel agreed to include individuals in the *Belaire-West* process who
14 signed pick-up-stix agreements. The *Belaire-West* process was completed in October and
15 November 2024, and the Class List was provided to Plaintiff’s Counsel on approximately
16 December 10, 2024.

17 8. The Parties scheduled mediation for March 13, 2025. Prior to mediating, the
18 parties continued to engage in extensive informal discovery to ensure that Plaintiff’s Counsel had
19 all necessary information for analysis of the case, to the extent such information was not included
20 in Defendant’s formal discovery responses. The Parties also had numerous discussions in the
21 month leading up to mediation regarding the theories of the case, the validity of the pick-up-stix
22 agreements, and other topics related to an informed resolution of the matter. Plaintiff’s Counsel
23 also contacted numerous putative class members in order to discuss their experiences working
24 with Defendant and obtained some declarations in support of their mediation brief.

25 9. On March 13, 2025, the Parties participated in a full-day mediation with David
26 Lowe, Esq.. Mr. Lowe was agreed to by the Parties based on his excellent skills and experience
27 as a mediator in wage-and-hour class actions such as this one. The Parties prepared and submitted
28 detailed mediation briefs, which outlined the Parties’ respective positions in the case, and

1 discussed each side's position in an extensive telephone call in the days leading up to the
2 mediation. After contentious and lengthy negotiations, the Parties accepted a mediator's proposal
3 of \$700,000. After the Parties reached a settlement with the assistance of the mediator's proposals,
4 the Parties negotiated a Memorandum of Understanding which led to negotiating and executing
5 the long-form Settlement Agreement.

6 10. I believe the Settlement meets all criteria required by the Court, including having
7 been reached through an arms-length negotiation by an experienced mediator through a
8 mediator's proposal, having a sufficient investigation conducted to determine the settlement is
9 fair, and being agreed to by counsel who all have extensive experience with class actions.

10 11. I anticipate very few persons wishing to object to or opt out of the Settlement, and
11 any objections or opt outs would likely be the result of unique issues associated with the individual
12 seeking to opt-out.

13 12. I believe that the settlement with Defendant for the consideration and on the terms
14 set forth in the Settlement Agreement is fair, reasonable, adequate and is in the best interest of the
15 Class in light of all known risks, facts and circumstances. These risks include: the fact that a
16 significant portion of the putative class already agreed to release their claims against Defendant
17 as part of a pick-up-stix settlement campaign, the risk of significant delay in class members
18 receiving any type of funds, particularly if the Defendant were to declare bankruptcy; the risk of
19 the Court denying certification of the various claims given the potentially individualized nature of
20 some of the issues; and the potential for the Court to reduce PAGA penalties.

21 13. The key data points upon which I relied in analyzing Defendant's potential
22 exposure, assuming valid releases, are as follows:

- 23 • Total Class Size: Approximately 244 individuals.
- 24 • Total number of Workweeks for class: 10,418 Workweeks.
- 25 • Total Former Employees within 3-year SOL of February 22, 2021 through March
26 28, 2025: 62 former employees who did not sign pick-up-stix releases.
- 27 • Total number of employees within 1-year SOL of February 22, 2023 through
28 March 28, 2025: 237.

- Total Aggrieved Employees: 239.
- Total number of Pay Periods for PAGA members from December 18, 2022 through March 28, 2025: 10,597.
- Average Regular Rate: \$21.22 per hour.

14. Plaintiff alleged that Defendant had a practice of rounding employee time to the nearest quarter hour, although records demonstrated that the practice stopped as of March 2024. The sampling of time records demonstrated that some employees attempted to enter the exact time but had the time rounded, while other employees entered a rounded time.

15. Plaintiff also alleged that Defendant owed additional overtime wages because it did not factor into the regular rate a non-discretionary bonus that was paid out to all employees on July 8, 2022.

16. To determine Defendant's reasonable exposure to the class for the off-the-clock allegations related to rounding time, Plaintiff's counsel assumed that employees lost ten minutes per week due to rounding. At the overtime rate of \$31.83 per hour and factoring in the 10,418 work weeks, this would equate to approximately \$55,267.49. (Id.) However, this amount is likely overstated because Defendant stopped rounding after March 2024, therefore workweeks between March 2024 and March 2025 would not have off-the-clock violations due to rounding.

17. There are risks related to the rounding and regular rate claim. As mentioned above, not all employees entered their actual punch time, so it would be impossible from those employee records to determine whether and how much time they lost on a given day, making certification of those employees difficult. Furthermore, Defendant argued that the one-time bonus that was paid out was discretionary and therefore did not need to be factored into the regular rate. While Plaintiff's Counsel does not have the exact amount owed based on the failure to include the one bonus in the regular rate, we anticipate the amount being minimal because: 1) there was only one bonus paid during the class period for one pay period, and 2) not every employee worked overtime during that pay period.

18. Plaintiff contended that she and the Class Members routinely did not receive lawful and compliant meal periods, nor were they paid meal period premiums when a meal period

1 was missed, short or delayed. Furthermore, Plaintiff contended that Defendant's written meal and
2 rest break policies do not comply with all of the requirements under California law.

3 19. Defendant's practice was to pay its employees for their meal break, however it did
4 not require employees to track their meal break, at least until approximately September 2024
5 when Defendant updated its policy to require tracking of meal breaks. As a result of Defendant's
6 practice, the records showed a violation rate of over 90%. However, Defendant argued that
7 testimony would establish that everyone was free to take their meal breaks, particularly because
8 of the nature of Defendant's business. Specifically, because Defendant was organized as a
9 cooperative where the employee's themselves run the business, there was no "supervisor" at the
10 store who could tell an employee to not take a meal break.

11 20. To determine Defendant's reasonable exposure for meal break violations,
12 Plaintiff's Counsel assumed they would be able to show that employees did not receive a
13 compliant meal break two times per week. At the average hourly rate of \$21.22, this would make
14 Defendant's reasonable exposure \$442,139.92. However, this amount is likely overstated because
15 Defendant required its employees to record meal breaks as of September 2024, so it is unlikely
16 there would have been two violations per week for workweeks worked after September 2024.

17 21. While Plaintiff viewed the meal break claim as the strongest and most valuable
18 claim, there are legitimate risks to the claim as Defendant pointed out due to the nature of the
19 business. Given Defendant is a cooperative and most of the employees are members of the
20 cooperative, it is likely many employees would in fact testify that they were able to take compliant
21 meal breaks if they wanted to (even if they did not actually take them) since there was no
22 "supervisor" that was controlling the store. Furthermore, Plaintiff's Counsel anticipated there
23 would be an incentive for current employees to testify in favor of Defendant to minimize
24 Defendant's liability since the more Defendant had to pay for purposes of this lawsuit, the less
25 profits there were to be distributed to each employee member.

26 22. Plaintiff also argued that she and other employees were not provided with all
27 compliant rest breaks that employees were entitled to take. Plaintiff also pointed to the fact that
28 the written rest break policy did not mention being relieved of all duties, being able to leave the

1 premise, or being entitled to a rest break premium if the employee was not able to take a rest
2 break.

3 23. Rest period premiums were calculated in the same fashion as meal periods.
4 Estimating that each Class Member did not receive a compliant rest break two days each week,
5 and that the hourly rate for each employee is \$21.22, Defendant's reasonable exposure to the
6 Class for missed rest breaks is \$442,139.92. As mentioned above, while we had already obtained
7 some testimony to suggest not all employees received compliant rest breaks, we anticipate
8 numerous employees testifying in Defendant's favor either because: 1) there was no supervisor
9 so employees may have felt free to take a rest break if they wanted, or 2) current employees are
10 incentivized to limit Defendant's liability in order to maximize profits for Defendant, as it means
11 a larger distribution to the employees.

12 24. While Plaintiff's complaint included a cause of action for failure to reimburse
13 business expenses, based on Plaintiff's investigation to date, it did not find any facts to support
14 the allegation that Defendant owed Plaintiff or putative class members for unreimbursed business
15 expenses. As such, Plaintiff's counsel does not assign any valuation to this claim for purposes of
16 the *Kullar* assessment.

17 25. There were approximately 237 class members that worked during the one-year
18 statute of limitations. If we assume that each employee received an average of \$1,000 in penalties,
19 that would equate to a total penalty amount of \$237,000.

20 26. Given recent case law updates, there are certainly hurdles to obtaining class
21 certification with respect to the Labor Code 226 claim, particularly since the wage statement
22 violations are purely derivative of the other claims.

23 27. There were 62 former employees who worked during the three-year statute of
24 limitations who did not sign pick-up-stix agreements. Using the hourly rate of \$21.22, the
25 potential exposure for waiting time penalties is \$315,753.60 (\$21.22/hour x 8 hours/per x 30-day
26 maximum x 62 separated employees).

27 28. There are 10,597 pay periods that were worked by approximately 239 aggrieved
28 employees. Assuming that no penalty "stacking" will apply (i.e. the imposition of multiple

1 penalties per pay period) and that the Court will use the violation rate of \$100 per pay period,
2 potential PAGA penalties equal \$1,059,700. Plaintiff's PAGA claims are also predicated on the
3 violations described above, and thus subject to the same disputes and defenses.

4 29. Based on the above estimates, the total amount of the possible damages that the
5 class could be awarded at trial, including PAGA penalties, is approximately \$1,757,225.93. This
6 takes into account 25% of the total PAGA penalties that would be awarded to the PAGA members,
7 since 75% of the fees go to the LWDA.

8 30. Pursuant to California Labor Code section 2699(l), the Settlement Agreement and
9 motion for preliminary approval have been provided to the Labor and Workforce Development
10 Agency. A true and correct copy of the proof of service is attached hereto as **Exhibit 3**.

11 31. Defendant has reserved all rights to dispute Plaintiff's ability to satisfy any of the
12 requirements for class certification; however, the Parties have agreed that for purposes of
13 settlement, Defendant will not raise such a dispute.

14 32. The class consists of approximately 233 members with specifically identifiable
15 information. Here, the class is sufficiently numerous and there is a common interest to many
16 persons as this claim will confer significant benefits to those persons. Furthermore, it would be
17 impracticable to bring all of them before the Court on an individual basis. Moreover, the Class is
18 readily ascertainable as Defendant is in possession of contact information for its current and
19 former employees via regularly maintained employment records. Here, the common questions of
20 law and fact clearly exist, as the underlying dispute involves Defendant's employment policies
21 and practices which affected all the employees in the proposed Class.

22 33. I graduated from USC School of Law in 2010. After law school, I was an
23 Associate Attorney at Lawyers for Justice, PC, the Mathews Law Group, the Rager Law Firm,
24 McCune & Harbor, Jackson Lewis LLP and Fisher & Phillips LLP, before becoming a Partner at
25 Fisher & Phillips LLP. During my career, I have represented numerous clients in class action
26 litigation.

27 34. I have represented both plaintiffs and defendants in numerous class actions and
28 other complex matters. These matters include:

- 1 • *Eduardo Gaa, et al. v. Intercare Holdings Inc., et al.*, Los Angeles County Superior
2 Court Case No. BC489800;
- 3 • *Vikki Allen v. Covenant Security Services*, Los Angeles County Superior Court Case No.
4 18STCV08573;
- 5 • *Angel Caracoza v. Ashley Furniture Services, Inc.*, San Bernadino County Superior Court
6 Case No. CIVSB2118827;
- 7 • *Francisco Schiller v. Ashley Distribution Services, LTD et. al.*, San Bernadino County
8 Superior Court Case No. CIDVS2014776, US District Court for the Central District of
9 California, Case No. 5:2020cv02662;
- 10 • *James Thomas v. Crothall Healthcare, Inc.*, San Francisco County Superior Court Case
11 No. CGC-18-566489
- 12 • *George Gonzalez v. Ashley Furniture Industries, Inc.*, San Bernadino County Superior
13 Court Case No. CIVDS2017425;
- 14 • *Darrell Alexander v. Farmdale Creamery, Inc.*, San Bernardino County Superior Court
15 Case No. CIVSB2205382;
- 16 • *Jessica Raye Lucia v. Summitview Child & Family Services, Inc.*, El Dorado County
17 Superior Court Case No. 22CV0636;
- 18 • *Rufus McWilliams v. Karma Automotive, LLC*, Riverside County Superior Court Case
19 No. CVRI2102922;
- 20 • *George Martinez v. Northwest Exteriors, Inc.*, Sacramento County Superior Court Case
21 No. 34-2022-00318192;
- 22 • *Juan Rojas Contreras v. Asphalt Fabric and Engineering, Inc.*, Los Angeles County
23 Superior Court Case No. 21STCV40362
- 24 • *Jose Vazquez v. ETS Express, Inc., et al.*; Ventura County Superior Court Case No.: 56-2020-
25 00545435-CU-OE-VTA;
- 26 • *Tremain Johnson, et al. v. Weckworth Electric Group, Inc., et al.*; Alameda County Superior
27 Court Case No.: 21CV001491;
- 28

- 1 • *Maritza Gutierrez, et al. v. La Clinica de la Raza, Inc.*, Alameda County Superior Court
- 2 Case No. RG19010781;
- 3 • *Desiree Vasquez, et al. v. Your Home Nursing Services, Inc.*; Napa County Superior Court
- 4 Case No. 22CV000508;
- 5 • *Terrica Brown v. Sunny Rose Glen, LLC*, Riverside County Superior Court Case No.
- 6 CVRI2101016;
- 7 • *Charmeine Velazquez, et al. v. Ettie Lee Homes, Inc.*, Los Angeles County Superior Court Case
- 8 No. 22STCV19234;
- 9 • *Esmeralda Maken v. Ascencia*, Los Angeles County Superior Court Case No.
- 10 22STCV13406;
- 11 • *Lizette Ruelas v. LY Brothers Corporation, et al.*; Alameda County Superior Court Case No.:
- 12 RG19001774;
- 13 • *Cruzelm Martinez, et. al. v. Burger Rehabilitation Systems, Inc.*, Sacramento County
- 14 Superior Court Case No. 34-2020-00286930;
- 15 • *Sabrina Cook v. Excelsior Charter Group, et al.*, San Bernardino County Superior Court Case
- 16 No. CIVSB2220219;
- 17 • *Steve Batta, et al. v. So Cal Elite Traffic*; San Bernardino County Superior Court Case No.:
- 18 CIVSB2126086;
- 19 • *David Frederick Bitonti, et al. v. Teen Road To Safety, Inc., et al.*; Orange County Superior
- 20 Court Case No. 30-2023-01333703-CU-OE-CXC;
- 21 • *Linda Medina, et al. v. Easy Health, Inc., et al.*; Los Angeles County Superior Court Case No.
- 22 23SMCV04232;

23 I am qualified to evaluate the risks and benefits of both litigation and settlement in this
24 matter and recommend this Settlement as fair and reasonable to the Class.

25 35. I believe that Plaintiff will be an adequate Class Representative. Plaintiff and the
26 Class Members have strong and co-extensive interests in this litigation because they all worked
27 for Defendant during the relevant time period, suffered the same alleged injuries from the same
28 alleged course of conduct, and there is no evidence of any conflict of interest between the Plaintiff

1 and the Class Members. Moreover, Plaintiff has demonstrated commitment to the Class by,
2 among other things, retaining experienced counsel, providing counsel with documents and
3 extensively speaking with counsel to assist in identifying the claims asserted in this case,
4 meaningfully participating in the mediation, and exposing themselves to the risk of attorneys'
5 fees and costs awarded against them if this lawsuit had been unsuccessful.

6 36. The parties agreed upon Phoenix Class Action Administration Solutions
7 ("Phoenix") based on their reputation and the quality of the administration work they have
8 performed in other cases.

9 37. Attached as **Exhibit 4** is the [Proposed] Court Approved Notice of Class Action
10 Settlement and Hearing Date for Final Court Approval.

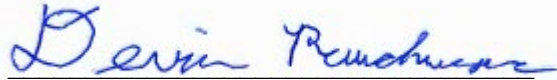
11 38. I calculated the estimated Net Settlement Amount of \$280,360.00 by taking the
12 \$700,000.00 Gross Settlement Amount and subtracting: the requested attorneys' fees of 35%
13 (\$245,000.00), reimbursement of litigation costs (in the maximum amount of \$17,000.00), a Class
14 Representative Service Payment of \$7,500.00, Settlement Administrator costs of up to \$8,000.00,
15 and PAGA penalties of \$142,140.00. Approximately \$4,023.16 of that will be used to pay the
16 employer's portion of the payroll taxes, leaving a remaining Net Settlement Amount of
17 \$276,336.84. Based on the number of class members, the average Individual Class Payment is
18 approximately \$1,186, not including the separate Individual PAGA Payments that will be paid
19 only to the Aggrieved Employees.

20 39. The Parties agree that the formula for allocating the Individual Class Payments to
21 Participating Class Members is reasonable and that the payments provided herein are designed to
22 provide a fair settlement to such persons, in light of the uncertainties regarding the calculation of
23 alleged wages, penalties and interest to each Participating Class Member.

24 40. I am not aware of any actual or potential conflicts of interest between Plaintiff or
25 my office with the designated Cy Pres recipient, La Raza Centro Legal.

26 41. I am not aware of any other currently pending matters or actions asserting claims
27 that will be extinguished or adversely affected by the settlement in this matter.
28

1 I declare under penalty of perjury under the laws of the United States and the State of
2 California that the foregoing is true and correct. Executed on October 13, 2025, in Orange County,
3 California.

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EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Nicole Torres (“Plaintiff”) and defendant Rainbow Grocery Cooperative, Inc. (“Defendant” or “Rainbow”). The Agreement refers to Plaintiff and Rainbow collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Rainbow captioned *Nicole Torres v. Rainbow Grocery Cooperative, Inc.* initiated on February 22, 2024 and pending in Superior Court of the State of California, County of San Francisco, case number CGC-24-612573.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California during the PAGA Period.
- 1.5. “Class” means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California during the Class Period, who did not sign an individual settlement release or deposit the \$200 settlement release check provided to all putative class members.
- 1.6. “Class Counsel” means Attorneys Arby Aiwazian, Joana Ghosh, and Ryan Slinger of Lawyers for Justice, PC and Zack I. Domb and Devin E. Rauchwerger of Domb & Rauchwerger LLP.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class, Limited Class, and Aggrieved Employee identifying information in Rainbow’s possession including their name, last-known mailing address and phone number, Social Security number, Workweeks worked by each Class Member or Limited Class Member, and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class or

Limited Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from February 22, 2020 to March 28, 2025.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of San Francisco.
- 1.16. “Rainbow” means named Defendant Rainbow Grocery Cooperative, Inc.
- 1.17. “Defense Counsel” means Marc L. Jacuzzi and Sarah E. Lucas of Simpson, Garrity, Innes & Jacuzzi, PC.
- 1.18. “Effective Date” means the date by when both of the following have occurred:
(a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement herein, the day the Court enters Judgment; or (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.22. “Gross Settlement Amount” means \$700,000.00 which is the total amount Rainbow agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, the Administrator’s Expenses, and all employer-side payroll taxes.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period or Limited Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of pay periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “Limited Class” means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California during the Limited Class Period, who signed an individual settlement release or deposited the \$200 settlement release check provided to all putative class members.
- 1.27. “Limited Class Period” means the period from October 1, 2024 through March 28, 2025.
- 1.28. “Limited Workweek” means any week during which a Class Member who is part of the Limited Class worked for Rainbow for at least one day, during the Limited Class Period.
- 1.29. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.30. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.31. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments and to the appropriate taxing authorities for employer-side and employee-side payroll taxes.
- 1.32. “Non-Participating Class Member” means any Class Member or Limited Class Member who opts out of the Settlement by sending the Administrator a valid and timely

Request for Exclusion.

- 1.33. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Rainbow for at least one day during the PAGA Period.
- 1.34. “PAGA Period” means the period from December 18, 2022 to March 28, 2025.
- 1.35. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.36. “PAGA Notice” means Plaintiff’s December 18, 2023 letter to Rainbow and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.37. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.38. “Participating Class Member” means a Class Member or Limited Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.39. “Plaintiff” means Nicole Torres, the named plaintiff in the Action.
- 1.40. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.41. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.42. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.43. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.44. “Released Parties” means: Defendant and each of its former, current, and future parent companies, subsidiaries, affiliates, directors, members, agents (including, without limitation, any investors, accountants, insurers, reinsurers, attorneys, and any past, present or future officers, directors and employees), predecessors, successors, and assigns.
- 1.45. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.46. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, (b) fax, email, or mail his or her Objection to the Settlement, or (c) fax, email, or mail his or her

dispute as to the number of Workweeks, Limited Workweeks or PAGA Pay Periods. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

- 1.47. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.48. “Workweek” means any week during which a member of the Class worked for Rainbow for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On February 22, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Rainbow for (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business & Professions Code §§ 17200, et seq.; and (11) Violation of California Labor Code § 2698, et seq. (California Labor Code Private Attorneys General Act of 2004). The Complaint is the operative complaint in the Action (the “Operative Complaint.”) Rainbow denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Rainbow and the LWDA by sending the PAGA Notice.
- 2.3. On March 13, 2025, the Parties participated in an all-day mediation presided over by David Lowe which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff conducted an investigation and obtained, through formal and informal discovery, documents and information in order to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Rainbow promises to pay \$700,000.00 and no more as the Gross Settlement Amount (with any and all employer payroll taxes owed on the wage portions of the Individual Class Payments included in this \$700,000 total). Rainbow has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Rainbow.

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

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$7,500.00, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Rainbow will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35%, which is currently estimated to be \$245,000.00 and a Class Counsel Litigation Expenses Payment of not more than \$17,000. Rainbow will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses

Payment and holds Rainbow harmless, and indemnifies Rainbow, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$8,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$8,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1. Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for [e.g., interest and penalties] (the "Non-Wage Portion").^{vi} The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$142,140.00 to be paid from the Gross Settlement Amount, with 75% (\$106,605.00) allocated to the LWDA PAGA Payment and 25% (\$35,535.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$35,535.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount

requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Rainbow estimates there are 233 Class Members who collectively worked a total of 10,418 Workweeks, and 239 Aggrieved Employees who worked a total of 10,597 PAGA Pay Periods.
- 4.2. Class Data. Not later than 20 days after the Court grants Preliminary Approval of the Settlement, Rainbow will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Rainbow has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Rainbow must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Rainbow shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Rainbow funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the

recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to La Raza Centro Legal located at 474 Valencia St #295, San Francisco, CA 94103, which is a nonprofit organization consistent with Code of Civil Procedure Section 384, subd. (b) ("Cy Pres Recipient"). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

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

5. RELEASES OF CLAIMS. Effective on the date when Rainbow fully funds the entire Gross Settlement Amount, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. To the fullest extent permitted by law, and except with respect to the obligations created by, acknowledged in, excepted from, or arising from this Agreement Plaintiff, on her own behalf and on behalf of her respective former and present spouses, registered domestic partners, children, representatives, agents, attorneys, heirs, administrators, successors, and assigns, generally releases and discharges Released Parties from all claims, causes of action, demands, damages, transactions and occurrences, known or unknown, arising at any time prior to Plaintiff's execution of this Agreement, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint, (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint or Plaintiff's PAGA Notice, and (c) all claims or causes of action arising out of Plaintiff's employment with Defendant and/or the termination of that employment ("Plaintiff's Release"). Plaintiff's Release does not extend to 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. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or

in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.2

Examples of Claims Released by Plaintiff. The claims released and waived in Paragraph 5.1 above include, but are not limited to, those arising in common law; contract law, including claims for wrongful termination and breach of the implied covenant of good faith and fair dealing; tort law, including claims for fraud, defamation, personal injury, emotional distress, and discharge in violation of public policy; punitive damages; the California Labor Code, including without limitation, Violations of Labor Code §§201-203, 226, 226.7 233, 246, 510, 558, 1194, 1197.1, 226.7, 512, 226(a), 2698 et seq; California Fair Employment and Housing Act and any similar federal or state law (which include claims based on sex, age, race, color, ancestry, national origin, disability, medical condition, marital status, military or veteran status, sexual orientation, gender, gender identity, gender expression, religious creed, pregnancy, discrimination, retaliation and harassment); the Federal Civil Rights Acts of 1964 and 1991, as amended; the Age Discrimination in Employment Act; the Older Workers' Benefit Protection Act; Age Discrimination in Employment Act ("ADEA"); the Americans With Disabilities Act ("ADA"); the Employee Retirement Income Security Act ("ERISA"); the federal Family and Medical Leave Act ("FMLA"); the California Family Rights Act ("CFRA"); the Fair Labor Standards Act ("FLSA"); the Equal Pay Act; the Lilly Ledbetter Fair Pay Act; California Business and Professions Code Section 17200 *et. seq.*; privacy rights (including under the California Constitution); whistleblower protections, including Whistleblower Retaliation in violation of Labor Code §§1102.5, 232.5, 98.6 & 6310; and constitutional protections. This release further includes claims for disputed back pay, front pay, wages, bonuses, overtime compensation, disputed expense reimbursements under California Labor Code §2802, penalties, including waiting-time penalties under Labor Code Section 203, and attorneys' fees, to the maximum extent waivable under applicable law. This general release does not release claims or rights that cannot be released as a matter of law, including, but not limited to, any insured workers' compensation claim, any claim for unemployment insurance, and any right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, the California Civil Rights Department, and any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment (with the understanding that any such filing or participation does not permit Plaintiff the right to recover any monetary damages against Released Parties; her release of claims herein bars her from recovering such monetary relief from Released Parties).

5.3

Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.4 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims, rights, demands, damages, liabilities, and causes of action, whether known or unknown, contingent or vested, in law or in equity that were asserted as class claims in the Action, or that could have been asserted based on the allegations made in the Action that arose during the Class Period and Limited Class Period, including but not limited to (1) failure to pay overtime; (2) failure to pay meal period premiums; (3) failure to pay rest period premiums; (4) failure to pay minimum wages; (5) failure to pay wages timely at separation; (6) failure to pay wages timely during employment; (7) non-compliant wage statements; (8) failure to keep requisite payroll records; (9) unreimbursed business expenses; and (10) unfair competition. Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period or Limited Class Period.

5.5 PAGA Release: Plaintiff, as agent and proxy of the LWDA, will release all claims, rights, demands, damages, liabilities, and causes of action alleged or that could have been alleged in the PAGA Notice or the Action, arising at any time during the PAGA Period for Defendant's alleged violation of PAGA.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff agrees to prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Rainbow's Declaration in Support of Preliminary Approval. At least one business day before the filing of the Motion for Preliminary Approval, Defense counsel will prepare and deliver to Class Counsel a signed Declaration from themselves disclosing all facts relevant to any actual or potential conflicts of interest with the Cy Pres Recipient. In their Declaration, Defense Counsel shall also aver that, as of the date of signing the Declaration, they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Plaintiff's Responsibilities. Plaintiff will prepare all other documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (iv) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts

relevant to any actual or potential conflicts of interest with Class Members; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, Phoenix Class Action Administration Solutions agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, Limited Workweeks and Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all

Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice in both English and Spanish, substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks/Limited Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- 7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks/Limited Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Rainbow or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after

receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

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

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator will make the initial determination as to whether the Request for Exclusion is valid, however such decision shall be reviewable by the Court.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Member Release under Paragraphs 6.2, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. However, Non-Participating Class Members who are Aggrieved Employees will still receive an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks/Limited Workweeks and PAGA Pay Periods. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks/Limited Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks/Limited Workweeks and PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator will make the determination with

respect to any challenge by a Class Member regarding the allocation of Workweeks/Limited Workweeks and/or PAGA Pay Periods, however the Court may review the decision. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks/Limited Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination regarding the challenge.

7.7 Objections to Settlement.

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

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

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

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

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

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their

validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks/Limited Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Workweek/Limited Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks/Limited Workweeks and/or PAGA Pay Periods.
- 7.8.5 Administrator’s Declaration. Not later than 7 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE** Based on its records, Defendant estimates that, as of the date of mediation, there were a total of 233 Class Members. Defendant also estimates that as of March 28, 2025, Class Members worked a total of 10,418 Workweeks/Limited Workweeks during the Class period and Limited Class Period. Should it be determined that the total number of Workweeks/Limited Workweeks is more than 5% higher than Defendant's estimate (e.g. more than 10,983 Workweeks/Limited Workweeks), Defendant has the option of either: 1) increasing the GSA proportionately above the 5% amount (e.g. if the total Workweeks/Limited Workweeks has increased by 6%, then the GSA will increase by 1%), or 2) shortening the release period so that there is no increase in the number of Workweeks/Limited Workweeks above 5%.
9. **RAINBOW'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Rainbow may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Rainbow withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Rainbow will remain responsible for paying all Settlement Administration Expenses incurred to that point. Rainbow must notify Class Counsel and the Court of its election to withdraw not later than 14 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than five court days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in good faith to resolve any disagreements concerning the Motion for Final Approval.
- 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of

Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

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

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Rainbow that any of the allegations in the Operative Complaint have merit or that Rainbow has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Rainbow's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Rainbow reserves the right to contest certification of any class for any reasons, and Rainbow reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds

available and to contest Rainbow's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2 Confidentiality. Plaintiff, Class Counsel, Defendant, and Defendant's counsel agree to limit public comment on the Settlement, the case, and the claims to stating that the matter has been resolved to the satisfaction of the Parties. Neither side will initiate public comment. This provision shall not prohibit Class Counsel from listing the Settlement herein in a declaration filed in any other class action and/or PAGA action for the purpose of showing their experience. This provision does not prohibit the Parties from making full disclosure of the terms of the Settlement to its members.
- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Rainbow, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Rainbow nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this

Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Rainbow in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Rainbow unless, prior to the Court's discharge of the Administrator's obligation, Rainbow makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Zack Domb, Esq.
zack@dombrauchwerger.com
Devin Rauchwerger, Esq.
devin@dombrauchwerger.com
DOMB & RAUCHWEGER LLP
1055 E. Colorado Blvd., Fifth Floor
Pasadena, CA 91106

To Rainbow:

Marc Jacuzzi, Esq.
mjacuzzi@sgijlaw.com
Sarah Lucas, Esq.
slucas@sgijlaw.com
SIMPSON, GARRITY, INNES & JACUZZI PC
601 Gateway Blvd. Ste. 950
South San Francisco, CA 94080

- 12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 10 / 09 / 2025, 2025



Nicole Torres, Plaintiff

Dated: _____

Full Name:
Title:
On behalf of Defendant Rainbow Grocery Cooperative,
Inc.

APPROVED AS TO FORM:

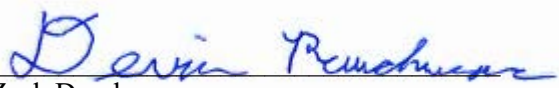
LAWYERS for JUSTICE, PC

Dated: _____, 2025

Arby Aiwazian
Joanna Ghosh
Ryan Slinger
Attorneys for Plaintiff and Proposed Class Counsel

DOMB & RAUCHWERGER LLP

Dates: October 9, 2025



Zack Domb
Devin Rauchwerger
Attorneys for Plaintiff and Proposed Class Counsel

SIMPSON, GARRITY, INNES & JACUZZI, P.C.

Dated: _____

Marc L. Jacuzzi
Sarah E. Lucas
*Attorneys for Defendant Rainbow Grocery Cooperative,
Inc.*

Dated: _____, 2025

Nicole Torres, Plaintiff

Dated: _____

Full Name:
Title:
On behalf of Defendant Rainbow Grocery Cooperative,
Inc.

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: October 9, 2025



Arby Aiwazian
Joanna Ghosh
Ryan Slinger
Attorneys for Plaintiff and Proposed Class Counsel

DOMB & RAUCHWERGER LLP

Dates: _____, 2025

Zack Domb
Devin Rauchwerger
Attorneys for Plaintiff and Proposed Class Counsel

SIMPSON, GARRITY, INNES & JACUZZI, P.C.

Dated: _____

Marc L. Jacuzzi
Sarah E. Lucas
*Attorneys for Defendant Rainbow Grocery Cooperative,
Inc.*

Dated: _____, 2025

Nicole Torres, Plaintiff

Dated: 9 OCTOBER 2025



Full Name: CASEY RESS
Title: LEGAL LIAISON
On behalf of Defendant Rainbow Grocery Cooperative,
Inc.

APPROVED AS TO FORM:

LAWYERS for JUSTICE, PC

Dated: _____, 2025

Arby Aiwazian
Joanna Ghosh
Ryan Slinger
Attorneys for Plaintiff and Proposed Class Counsel

DOMB & RAUCHWERGER LLP

Dates: _____, 2025

Zack Domb
Devin Rauchwerger
Attorneys for Plaintiff and Proposed Class Counsel

SIMPSON, GARRITY, INNES & JACUZZI, P.C.

Dated: October 13, 2025


Marc L. Jacuzzi
Sarah E. Lucas
*Attorneys for Defendant Rainbow Grocery Cooperative,
Inc.*

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

(Nicole Torres v. Rainbow Grocery Cooperative, Inc.; Case No.: CGC-24-612573)

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Rainbow Grocery Cooperative, Inc. (“Rainbow”) for alleged wage and hour violations. The Action was filed by a former Rainbow employee Nicole Torres (“Plaintiff”) and seeks payments of back wages and other relief on behalf of both: 1) a Class of all current and former hourly-paid or non-exempt employees who worked for Rainbow within the State of California between February 22, 2020 and March 28, 2025, who also did not sign an individual settlement release or deposit the \$200 settlement release check provided to all putative class members, and 2) all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California between October 1, 2024 through March 28, 2025, who signed an individual settlement release or deposited the \$200 settlement release check provided to all putative class members (collectively referred to as “Class Members”). The Action also seek penalties under the California Private Attorneys General Act (“PAGA”) on behalf of all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California between December 18, 2022 and March 28, 2025 (“Aggrieved Employees”).

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

Based on Rainbow’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ _____ (less withholding) and your Individual PAGA Payment is estimated to be \$ _____**. The actual amount you may receive likely will be different and will depend on a number of factors. If no amount is stated for your Individual PAGA Payment, then according to Rainbow’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.

The above estimates are based on Rainbow’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. When determining whether your stated Workweeks are accurate, keep in mind that if you are a Class Member who did not sign an individual settlement release or deposit the \$200 settlement release check provided to all putative class members, then you will receive credit for all weeks worked between February 22, 2020 through March 28, 2025. On the other hand, if you are a Class Member who did sign an individual settlement release or deposit the \$200 settlement release check provided to all putative class members, then you will only receive credit for all weeks worked between October 1, 2024 through March 28, 2025. For purposes of the number of pay periods, you will receive credit for each pay period you worked between December 18, 2022 and March 28, 2025. If you believe that you worked more workweeks or

pay periods than stated, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Rainbow to make payments under the Settlement and requires Class Members to give up their rights to assert certain claims against Rainbow.

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Rainbow.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Rainbow, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Rainbow that are covered by this Settlement (Released Claims).
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You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Rainbow must pay Individual PAGA Payments to all Aggrieved Employees.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Rainbow's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Rainbow employee. The Action accuses Rainbow of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses, and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA").

Plaintiff is represented by attorneys in the Action Domb & Rauchwerger LLP and Lawyers for Justice P.C. (“Class Counsel.”)

Rainbow strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Rainbow or Plaintiff is correct on the merits. In the meantime, Plaintiff and Rainbow hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Rainbow have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Rainbow does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel believe the Settlement is a good deal for you because they believe that: (1) Rainbow has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Rainbow Will Pay \$700,000.00 as the Gross Settlement Amount (Gross Settlement). Rainbow has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Rainbow will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$245,000.00 (35% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$17,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- B. Up to \$7,500.00 to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- C. Up to \$8,000.00 to the Administrator for services administering the Settlement.
- D. Up to \$142,140.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- 4. Taxes Owed on Payments to Class Members. Plaintiff and Rainbow are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to penalties and interest ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to a non-profit organization La Raza Centro Legal ("Cy Pres").
- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion

should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Rainbow.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Rainbow have agreed that, in either case, the Settlement will be void: Rainbow will not pay any money and Class Members will not release any claims against Rainbow.

7. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
8. Participating Class Members' Release. After Rainbow has fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Rainbow or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims, rights, demands, damages, liabilities, and causes of action, whether known or unknown, contingent or vested, in law or in equity that were asserted as class claims in the Action, or that could have been asserted based on the allegations made in the Action that arose during the Class Period and Limited Class Period, including but not limited to (1) failure to pay overtime; (2) failure to pay meal period premiums; (3) failure to pay rest period premiums; (4) failure to pay minimum wages; (5) failure to pay wages timely at separation; (6) failure to pay wages timely during employment; (7) non-compliant wage statements; (8) failure to keep requisite payroll records; (9) unreimbursed business expenses; and (10) unfair competition. Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on

facts occurring outside the Class Period or Limited Class Period.

9. PAGA Release. After Rainbow has paid the Gross Settlement, Plaintiff, as agent and proxy of the LWDA, will release all claims, rights, demands, damages, liabilities, and causes of action alleged or that could have been alleged in the PAGA Notice or the Action, arising at any time during the PAGA Period for Defendant's alleged violation of PAGA.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$35,535.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Rainbow's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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

Your check will be sent to the same address as this Notice. If you change your

address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as Nicole Torres v. Rainbow Grocery Cooperative, Inc., and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

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

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action and include your name, current address, telephone number, and approximate dates of employment for Rainbow and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at (time) in Department ____ of the San Francisco Superior Court, located at _____. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via _____. Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Rainbow and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____ (url). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://sf.courts.ca.gov/online-services/case-information>, and entering the Case Number for the Action, Case No. CGC-24-612573. You can also make an appointment to personally review court documents in the Clerk's Office by calling 415-551-4000.

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

Class Counsel:

Zack Domb

Devin Rauchwerger

**DOMB &
RAUCHWERGER
LLP**

1055 E. Colorado

Blvd., Fifth Floor

Pasadena, CA

91106

213-537-9225

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2



December 18, 2023

BY ONLINE SUBMISSION

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

Re: RAINBOW GROCERY COOPERATIVE, INC.

Dear Representative:

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

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

Rainbow Grocery employed Ms. Torres as an hourly-paid, non-exempt employee from approximately June 2023 to approximately September, in the State of California.

The “aggrieved employees” that Ms. Torres may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California, including, but not limited to all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California who earned shift differentials/non-discretionary bonuses/non-discretionary performance pay which was not used to calculate the correct regular rate of pay used to calculate the overtime rate.

Based on the following facts and theories, Rainbow Grocery has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 7-2001.

Rainbow Grocery required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Rainbow Grocery rounded the work time recorded by aggrieved employees in a manner that was not fair and neutral on its face and/or that

avored Rainbow Grocery over time, resulting in aggrieved employees being underpaid for their time worked.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. Torres and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Ms. Torres and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

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

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

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

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Rainbow Grocery did not provide Ms. Torres and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Rainbow Grocery were in

violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. Torres and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. Torres and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. Torres and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. Torres and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. Torres and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

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

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

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, and 7-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Rainbow Grocery failed to pay Ms. Torres and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in

which Ms. Torres and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Rainbow Grocery failed to pay Ms. Torres and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Ms. Torres and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Ms. Torres and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Rainbow Grocery. These costs include, but are not limited to, the use of a personal phone for work-related tasks.

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

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

With kind regards,

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

Gabriella Sole, Esq.

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

Rainbow Grocery Cooperative, Inc.
c/o Yilda Campos
Agent for Service of Process
1745 Folsom St.
San Francisco, CA 94103

LAWYERS FOR JUSTICE

410 ARDEN AVE, SUITE 203 / GLENDALE, CA 91203

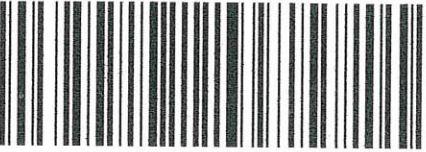
Rainbow Grocery Cooperative, Inc.
c/o Yilda Campos
Agent for Service of Process
1745 Folsom St.
San Francisco, CA 94103

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Rainbow Grocery Cooperative, Inc.
c/o Yilda Campos
Agent for Service of Process
1745 Folsom St.
San Francisco, CA 94103

PAGA Notice

Street: Nicole Torres v. Rainbow Grocery Cooperative Inc

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- ☐ Complete items 1, 2, and 3.
- ☐ Print your name and address on the reverse so that we can return the card to you.
- ☐ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Rainbow Grocery Cooperative, Inc.
c/o Yilda Campos
Agent for Service of Process
1745 Folsom St.
San Francisco, CA 94103



9590 9402 8200 3030 6859 28

2. Article Number (Transfer from service label)

7021 2720 0000 9839 2011

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

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Restricted Delivery

Don

EXHIBIT 3

1 ZACK I. DOMB, SBN 265185
E-Mail zack@dombrauchwerger.com
2 DEVIN RAUCHWERGER, SBN 274234
E-Mail devin@dombrauchwerger.com
3 ERIC Y. HAHN, SBN 311771
E-Mail eric@dombrauchwerger.com
4 **DOMB & RAUCHWERGER LLP**
1055 East Colorado Blvd., Fifth Floor
5 Pasadena, California 91106
Telephone: (213) 537-9225

6 JOANNA GHOSH, SBN 272479
E-Mail: joanna@calljustice.com
7 YASMIN HOSSIENI, SBN 326399
E-Mail: yasmin@calljustice.com
8 RYAN M. SLINGER, SBN 351297
E-Mail: r.slinger@calljustice.com
9 **LAWYERS for JUSTICE, PC**
10 450 N Brand Blvd, Ste 900
Glendale, CA 91203
11 Tel: (818) 265-1020 / Fax: (818) 265-1021

12 Attorneys for Plaintiff
Nicole Torres and the Proposed Class

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **FOR THE COUNTY OF SAN FRANCISCO**

16 NICOLE TORRES, individually, and on
17 behalf of other members of the general
18 public similarly situated and on behalf of
other aggrieved employees pursuant to the
California Private Attorneys General Act;

19 Plaintiff,

20 v.

21 RAINBOW GROCERY COOPERATIVE,
22 INC., a California corporation; and DOES 1
23 through 100, inclusive,

24 Defendants.

Case No.: CGC-24-612573

**PROOF OF SERVICE RE: PLAINTIFF
NICOLE TORRES MOTION FOR FINAL
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT TO LWDA**

Hearing Information:

Date: November 4, 2025
Time: 11:00 a.m.
Dept.: 304
Judge: Hon. Ethan P. Schulman

**PROOF OF SERVICE
(CCP § 1013(a) and 2015.5)**

I, the undersigned, am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; am employed with Domb & Rauchwerger LLP and my business address is 1055 East Colorado Blvd., Fifth Floor, Pasadena, California 91106. My e-mail address is jessica@dombrauchwerger.com.

On October 13, 2025, I served the foregoing documents entitled:

- **NOTICE OF UNOPPOSED MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT; MEMORANDUM IN SUPPORT THEREOF**
- **DECLARATION OF DEVIN E. RAUCHWERGER IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **DECLARATION OF RYAN SLINGER IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **DECLARATION OF SARAH E. LUCAS IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT**
- **DECLARATION OF PLAINTIFF NICOLE TORRES IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **DECLARATION OF JODEY LAWRENCE IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**

on all the appearing and/or interested parties in this action by placing ☐ the original ☒ a true copy thereof enclosed in sealed envelope(s) addressed as follows:

Via Online Submission – LWDA portal

California Labor & Workforce Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

☒ **[by ELECTRONIC SERVICE]** – I caused the documents to be sent to the persons via the Online Submission portal for the California Labor & Workforce Development Agency.

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

Executed October 13, 2025, at Sacramento County, California.

Jessica Delgado

Print Name

By:



Signature

EXHIBIT 4

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

(Nicole Torres v. Rainbow Grocery Cooperative, Inc.; Case No.: CGC-24-612573)

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Rainbow Grocery Cooperative, Inc. (“Rainbow”) for alleged wage and hour violations. The Action was filed by a former Rainbow employee Nicole Torres (“Plaintiff”) and seeks payments of back wages and other relief on behalf of both: 1) a Class of all current and former hourly-paid or non-exempt employees who worked for Rainbow within the State of California between February 22, 2020 and March 28, 2025, who also did not sign an individual settlement release or deposit the \$200 settlement release check provided to all putative class members, and 2) all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California between October 1, 2024 through March 28, 2025, who signed an individual settlement release or deposited the \$200 settlement release check provided to all putative class members (collectively referred to as “Class Members”). The Action also seek penalties under the California Private Attorneys General Act (“PAGA”) on behalf of all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California between December 18, 2022 and March 28, 2025 (“Aggrieved Employees”).

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

Based on Rainbow’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ _____ (less withholding) and your Individual PAGA Payment is estimated to be \$ _____**. The actual amount you may receive likely will be different and will depend on a number of factors. If no amount is stated for your Individual PAGA Payment, then according to Rainbow’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.

The above estimates are based on Rainbow’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. When determining whether your stated Workweeks are accurate, keep in mind that if you are a Class Member who did not sign an individual settlement release or deposit the \$200 settlement release check provided to all putative class members, then you will receive credit for all weeks worked between February 22, 2020 through March 28, 2025. On the other hand, if you are a Class Member who did sign an individual settlement release or deposit the \$200 settlement release check provided to all putative class members, then you will only receive credit for all weeks worked between October 1, 2024 through March 28, 2025. For purposes of the number of pay periods, you will receive credit for each pay period you worked between December 18, 2022 and March 28, 2025. If you believe that you worked more workweeks or

pay periods than stated, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Rainbow to make payments under the Settlement and requires Class Members to give up their rights to assert certain claims against Rainbow.

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Rainbow.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Rainbow, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Rainbow that are covered by this Settlement (Released Claims).
---	--

You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Rainbow must pay Individual PAGA Payments to all Aggrieved Employees.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Rainbow's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Rainbow employee. The Action accuses Rainbow of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses, and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA").

Plaintiff is represented by attorneys in the Action Domb & Rauchwerger LLP and Lawyers for Justice P.C. (“Class Counsel.”)

Rainbow strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Rainbow or Plaintiff is correct on the merits. In the meantime, Plaintiff and Rainbow hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Rainbow have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Rainbow does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel believe the Settlement is a good deal for you because they believe that: (1) Rainbow has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Rainbow Will Pay \$700,000.00 as the Gross Settlement Amount (Gross Settlement). Rainbow has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Rainbow will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$245,000.00 (35% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$17,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- B. Up to \$7,500.00 to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- C. Up to \$8,000.00 to the Administrator for services administering the Settlement.
- D. Up to \$142,140.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- 4. Taxes Owed on Payments to Class Members. Plaintiff and Rainbow are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to penalties and interest ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to a non-profit organization La Raza Centro Legal ("Cy Pres").
- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion

should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Rainbow.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Rainbow have agreed that, in either case, the Settlement will be void: Rainbow will not pay any money and Class Members will not release any claims against Rainbow.

7. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
8. Participating Class Members' Release. After Rainbow has fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Rainbow or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims, rights, demands, damages, liabilities, and causes of action, whether known or unknown, contingent or vested, in law or in equity that were asserted as class claims in the Action, or that could have been asserted based on the allegations made in the Action that arose during the Class Period and Limited Class Period, including but not limited to (1) failure to pay overtime; (2) failure to pay meal period premiums; (3) failure to pay rest period premiums; (4) failure to pay minimum wages; (5) failure to pay wages timely at separation; (6) failure to pay wages timely during employment; (7) non-compliant wage statements; (8) failure to keep requisite payroll records; (9) unreimbursed business expenses; and (10) unfair competition. Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on

facts occurring outside the Class Period or Limited Class Period.

9. PAGA Release. After Rainbow has paid the Gross Settlement, Plaintiff, as agent and proxy of the LWDA, will release all claims, rights, demands, damages, liabilities, and causes of action alleged or that could have been alleged in the PAGA Notice or the Action, arising at any time during the PAGA Period for Defendant's alleged violation of PAGA.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$35,535.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Rainbow's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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

Your check will be sent to the same address as this Notice. If you change your

address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as Nicole Torres v. Rainbow Grocery Cooperative, Inc., and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

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

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action and include your name, current address, telephone number, and approximate dates of employment for Rainbow and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at (time) in Department ____ of the San Francisco Superior Court, located at _____. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via _____. Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Rainbow and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____ (url). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://sf.courts.ca.gov/online-services/case-information>, and entering the Case Number for the Action, Case No. CGC-24-612573. You can also make an appointment to personally review court documents in the Clerk's Office by calling 415-551-4000.

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

Class Counsel:

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91106
213-537-9225

Settlement Administrator:

Name of Company:
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

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