

1 JAMIE CROOK, Chief Counsel (#245757)
Jaime.Crook@CalCivilRights.ca.gov
2 ASAF ORR, Assistant Chief Counsel (#261650)
Asaf.Orr@CalCivilRights.ca.gov
3 CALIFORNIA CIVIL RIGHTS DEPARTMENT
651 Bannon Street, Suite 200
4 Sacramento, CA 95811
Telephone: (916) 964-1925
5 Facsimile: (888) 382-5293

6 Attorneys for Plaintiff
California Civil Rights Department

7 ROBERT S. BLUMBERG (#161649)
8 rblumberg@littler.com
SAM RICHMAN (#316443)
9 sarichman@littler.com
Littler Mendelson, P.C.
10 2049 Century Park East, 5th Floor
Los Angeles, CA 90067-3107
11 Telephone: (310) 553-0308
Facsimile: (800) 715-1330

12 Attorney for Defendant
13 Ralphs Grocery Company

14 *[Additional counsel continued below]*

15
16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
17 **COUNTY OF LOS ANGELES**

18 **CALIFORNIA CIVIL RIGHTS**
19 **DEPARTMENT, an agency of the State of**
California,

20 Plaintiff,

21 vs.

22 **RALPHS GROCERY COMPANY,**

23 Defendant.

FILED
Superior Court of California
County of Los Angeles

JUL 23 2026

David W. Slayton, Executive Officer/Clerk of Court

By: N. Navarro, Deputy

(Fee Exempt, Gov. Code, § 6103)

Case No. 23STCV31213

[PROPOSED] CONSENT DECREE

Dept.: 17
Judge: Hon. Laura A. Seigle

Action Filed: December 20, 2023
TAC Filed: May 29, 2026
Trial Date: April 19, 2027

1 ROCÍO TORIZ, Associate Chief Counsel (#252491).
Rocio.Toriz@calcivilrights.ca.gov
2 SOYEON OUM, Senior Staff Counsel (#324046)
Soyeon.Oum@calcivilrights.ca.gov
3 CECILIA AGUILERA, Senior Staff Counsel (#347770)
Cecilia.Aguilera@calcivilrights.ca.gov
4 NASSIM MOALLEM, Staff Counsel (#332921)
Nassim.Moallem@calcivilrights.ca.gov
5 DYLAN CRARY, Staff Counsel (#340644)
Dylan.Crary@calcivilrights.ca.gov
6 CALIFORNIA CIVIL RIGHTS DEPARTMENT
651 Bannon Street, Suite 200
7 Sacramento, CA 95811
Telephone: (916) 964-1925
8 Facsimile: (888) 382-5293

9 Attorneys for Plaintiff
California Civil Rights Department
10

11 LAURA TOVAR (#335014)
ltovar@littler.com
12 Littler Mendelson, P.C.
101 Second Street, Suite 1000
13 San Francisco, CA 94105
Telephone: (415) 433-1940
14 Facsimile: (415) 399-8490

15 Attorneys for Defendant
Ralphs Grocery Company
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I. INTRODUCTION

1. Plaintiff California Civil Rights Department ("CRD" or "Department" or "Plaintiff") and Defendant Ralphs Grocery Company ("Ralphs" or "Defendant") (collectively, "the Parties") have agreed that this Action should be resolved without further litigation. Therefore, the Parties have agreed to a settlement of this matter, and jointly seek approval of this [Proposed] Consent Decree ("Consent Decree").

2. The Parties have agreed that this Consent Decree constitutes a full resolution of all claims asserted against Defendant by the Department in the operative Third Amended Complaint in this civil action (hereinafter "Third Amended Complaint").

3. CRD initiated this civil action following the conclusion of its investigation of a Group or Class Complaint which consolidated multiple administrative complaints alleging violations of the Fair Chance Act, including each of the Real Parties in Interest in the present litigation. This lawsuit, the Notice of Group or Class Investigation, and the underlying administrative complaints, are hereby collectively referred to as the "Action".

4. In this Action, CRD alleges that Defendant has failed and continues to fail to provide job applicants who have conviction histories a fair opportunity to be hired, in violation of the procedural and substantive requirements established by the Fair Chance Act (Government Code section 12952) and its implementing regulation. The Third Amended Complaint alleges that the Defendant's unlawful employment practices include the following violations:

- a. Including unlawful questions inquiring into a job applicant's conviction history on its job applications;
- b. Failing to engage in substantive individualized assessments of whether a job applicant's conviction history has a direct and adverse relationship with the specific job duties;
- c. Failing to provide job applicants who had received job offers adequate notice of its preliminary decision to revoke the job offer;
- d. Refusing to hire applicants whose conviction histories did not justify denying them positions as Ralphs employees.

5. As reflected in the Consent Decree, the settlement terms are fair, reasonable, adequate, and consistent with California law.

6. The Parties agree, for settlement purposes, that FEHA authorizes CRD to resolve this litigation through a mutually negotiated settlement that provides relief to CRD and the workers on whose behalf CRD seeks to recover monetary and injunctive relief.

7. Therefore, the Parties jointly seek approval and request the Court's entry of this Consent Decree to resolve this Action.

ACCORDINGLY, IT IS HEREBY ADJUDGED, ORDERED, AND DECREED:

II. PARTIES

8. CRD is a state department with prosecutorial authority to investigate and litigate civil rights actions. (See Gov. Code, §§ 12920, 12921, 12930, subd. (f)(1)-(5).) CRD enforces, among other laws, the Fair Chance Act. (See Gov. Code, § 12952.) The Fair Chance Act is codified within the Fair Employment and Housing Act. (Gov. Code, § 12900 *et seq.*)

9. CRD will be responsible for filing any court papers relating to the request for approval and entry of the Consent Decree and any subsequent status reports or other filings required by the Court regarding administration of the Consent Decree ("Consent Decree Related Filings"). CRD shall provide Ralphs an opportunity to review any Consent Decree Related Filings at least three business days before any such pleadings are filed for the purpose of providing Ralphs with an opportunity to confirm accuracy and consistency of such pleadings with the terms of the Consent Decree. Ralphs may waive the three-day period by informing CRD in writing of its agreement to a shorter timeframe.

10. Ralphs is a California company which owns, operates, and manages a chain of grocery stores throughout California, primarily in Southern California. At all relevant times, Ralphs employed five or more people in California and has been an "employer" subject to the Fair Chance Act.

11. The Third Amended Complaint identifies four Real Parties in Interest—Roberto Rivas, Rickey Bryant, Doe 1, and Wilbert Mancía-Mejía (“Real Parties in Interest”)—allegedly harmed by the conduct alleged by CRD. The Real Parties in Interest are not parties to this litigation.

1

2

- 4

11

12

2

90

22

15

7

Decree's administration and will have all available powers to enforce this Consent Decree, including, but not limited to, monetary sanctions and injunctive relief. The Parties reserve their rights to seek relief from the Court, including such remedies, in the event one Party believes another Party has or have breached the terms of the Consent Decree.

19. The Third Amended Complaint may be administratively closed, but shall not be dismissed during the Consent Decree's term. Defendant need not respond to the Third Amended Complaint during the Consent Decree's term.

20. CRD shall not take anything from the Complaint except as set forth in this Consent Decree.

21. Absent an extension, upon expiration of the Consent Decree's term, CRD will seek dismissal of the Action in its entirety with prejudice on CRD's own behalf.

V. MONETARY RELIEF

22. In settlement of this instant Action, Defendant shall pay a total of Two-Hundred Thousand Dollars (\$200,000) to resolve CRD's claims for monetary damages on behalf of the participating Real Parties in Interest ("Settlement Payment"). The Settlement Payment will be used to compensate the participating Real Parties in Interest as set forth below.

23. The Settlement Payment excludes the employer's portion of any state, local, and/or federal payroll taxes due for any portion of the payments to the Real Parties of Interest that are treated as income for lost wages. Ralphs will be responsible for the employer's portion of payroll taxes for that portion of the award, which shall be in addition to the Settlement Payment. The participating Real Parties in Interest shall otherwise be responsible for any and all taxes resulting from the receipt of any part of the Settlement Payment.

24. Notification to Real Parties in Interest: The Parties agree that within thirty (30) days of the Effective Date, CRD will provide notice of the Consent Decree to the Real Parties in Interest. The proposed notice to the Real Parties in Interest is attached as Exhibit A.

25. Real Parties in Interest's Release: The Parties agree that in order for a Real Party in Interest to receive a monetary payment, the Real Party in Interest must first sign and return to CRD a release of claims ("Release"). The Real Parties in Interest may return the Release by mail or

1 electronically. The Release is attached to this Consent Decree as Exhibit B.

2 26. Allocation of Settlement Payment: After receiving the signed Releases, CRD, at its
3 own discretion, will determine how the Settlement Payment will be allocated to the participating
4 Real Parties in Interest and notify counsel for Defendants of the allocation. The Parties will meet
5 and confer in good faith about any proposed allocations toward loss of earnings.

6 27. Return of Releases and Reallocation: Within forty-five (45) days of providing the
7 Real Parties in Interest notice of this Consent Decree, CRD will provide all signed Releases it has
8 received from the participating Real Parties in Interest to Ralphs. Should any of the Real Parties
9 in Interest decline or fail to timely return the signed Release, CRD may re-allocate the intended
10 portion of the Settlement Payment intended for that Real Party at its own discretion. If CRD
11 decides to re-allocate any portion of the Settlement Payment to cover attorneys' fees or cost, CRD
12 will seek permission from the Court before requesting Ralphs reissue those funds.

13 28. Distribution of Settlement Payment: Within thirty (30) days after receiving the
14 Releases from CRD, Ralphs will distribute the payments to the participating Real Parties of
15 Interest, less any taxes on the portion allocated as wage income, via overnight tracked shipment to
16 the mailing addresses included on the Real Parties signed Releases. Ralphs will provide the
17 tracking numbers for the overnight mailing to counsel for CRD.

18 29. The Parties make no representations or warranties with respect to any tax
19 consequences or impacts on the receipt of public benefits for any participating Real Party in
20 Interest who opts to release their claims and receive a monetary payment through this Consent
21 Decree. Nothing in this Consent Decree constitutes advice regarding taxes or eligibility for public
22 benefits. The participating Real Parties in Interest will be solely responsible for correctly
23 characterizing any compensation received under this Consent Decree on their personal income tax
24 returns and for paying any taxes due on any amount paid to them under this Consent Decree.

25 30. A Real Party in Interest named in the Third Amended Complaint who does not
26 participate in this settlement and does not intervene in this Action before it is dismissed (hereinafter
27 "declining Real Party in Interest") is not a Party to this Action. Nothing contained herein shall
28 preclude a declining Real Party in Interest from pursuing individual claims on their own behalf.

1 Nothing contained herein shall be deemed an admission or waiver of any defense by Defendant in
2 any subsequent litigation brought by a declining Real Party in Interest.

3 **VI. INJUNCTIVE RELIEF**

4 31. The terms in this Section bind Defendant for the duration of the Consent Decree's
5 Effective Period, unless a different time period is specified with respect to a specific term.

6 a. Job Application Questions: Ralphs will permanently remove any and all questions
7 related to conviction history from its job applications for positions in California.

8 i. Specific Questions to be Removed:

9 Within thirty (30) days of the Effective Date, Ralphs will permanently
10 remove the following questions:

11 A. "Have you been convicted of a crime?"

12 B. "If you answered 'Yes' to the above question, provide the County
13 and State of the conviction, misdemeanor or felony, and a brief
14 description of the conviction. If you fail to provide complete
15 information, your application could be delayed."

16 As soon as reasonably practicable, but no later than ninety (90) days of the
17 Effective Date, Ralphs will permanently remove the following question

18 C. "Have you, or has anyone under your supervision been found to
19 have violated a prohibition on selling tobacco to minors?"

20 ii. Verification: Within forty-five (45) days of the Effective Date, Ralphs will
21 provide a copy and/or template of the updated job application(s) to counsel
22 for CRD to verify the job application has been updated. Within fifteen (15)
23 days following removal of question set forth in C. above, Ralphs will
24 provide a copy and/or template of the updated job application(s) to counsel
25 for CRD to verify the job application has been updated.

26 b. Retention of Consultant: The parties have agreed that within forty-five days of the
27 Effective Date, Ralphs will retain Dr. Toni Locklear of APTMetrics to serve as a
28 consultant. If Dr. Locklear declines or is not available, the parties will work in good

1 faith to identify another mutually agreed upon consultant within thirty (30) days of
2 notice. The Consultant will be engaged to work with Ralphs in the assessment,
3 development, and implementation of hiring policies and practices that are
4 consistent with California's Fair Chance Act, including, but not limited to,
5 guidelines that help ensure consistency in Ralphs's individualized assessment and
6 any use of its *Individualized Assessment and Reassessment Form*, and training for
7 personnel conducting the individualized assessments.

- 8 i. Information Shared with Consultant: Both CRD and Ralphs will be
9 permitted to provide the Consultant with information relevant to their
10 assessments of Ralphs's current policies, practices, and procedures for
11 complying with the Fair Chance Act.
- 12 ii. Consultant's Report: The Consultant will prepare a report detailing the
13 findings from their assessment of Ralphs's compliance with the Fair Chance
14 Act, including any recommendations for improving policies, practices, and
15 procedures.
- 16 iii. CRD Feedback: The report drafted by the Consultant will be shared with
17 CRD at the same time it is shared with Ralphs, and CRD shall have a period
18 of sixty (60) days after receiving the report to provide feedback and
19 comments. CRD will provide any such comments and feedback to both
20 consultant and counsel for Ralphs, and Ralphs agrees to consider CRD's
21 comments and feedback in good faith.
- 22 iv. Protective Order: The Parties will jointly execute and file a Stipulation for
23 Entry of a Protective Order to preserve the privacy of any confidential
24 information shared with or by the Consultant.
- 25 c. Modifications of Adverse Action Notices: Within thirty (30) days of the Effective
26 Date, Ralphs will begin using Exhibits C and D, attached hereto, as its pre- and
27 final adverse action notices, respectively.
- 28

1 d. Training: Within ninety (90) days of the Effective Date, and thereafter every other
2 year through the Effective Period, Ralphs will ensure that all personnel involved in
3 conducting individualized assessments of job applicants attend a minimum one-
4 hour live training on California's Fair Chance Act. Live training may include
5 training provided by streaming or video services (e.g. Zoom). Any expenses
6 associated with these trainings will be borne by Ralphs.

7 i. Content of Training: At a minimum, the training will address social science
8 research related to recidivism, address certain assumptions and myths about
9 convictions, and review examples of evidence of rehabilitations and
10 mitigating circumstances outlined in California regulations. (See Cal. Code
11 Regs., tit. 2, § 11017.1, subd. (c)(2)(D)(i)-(ii).) The training must also
12 dedicate at least one third of the time allotted for the training toward
13 reviewing hypotheticals to help ensure Ralphs conducts individualized
14 assessments consistently and in compliance with the requirements of
15 California's Fair Chance Act.

16 ii. Verification: Within thirty (30) days after each training occurs, Ralphs will
17 provide counsel for CRD verification of the training along with the names
18 and titles of all employees and personnel who received the training.

19 e. Reporting: Beginning in February 2027 and continuing annually for three years
20 from the Effective Date of this Consent Decree through the Effective Period, Ralphs
21 will provide CRD and the Consultant with information for each job applicant who
22 applied for a position with Ralphs in California, and had their conditional job offer
23 revoked based solely or in part on their conviction history within the prior calendar
24 year.

25 i. Manner of Information: The information will be provided via a sortable
26 spreadsheet that includes a row for each said job applicant, and columns
27 providing the following information:
28

- 1 A. Name of applicant and/or unique identification number for the
2 applicant;
- 3 B. County of the Ralphs store where the position was located;
- 4 C. Position offered, including a link to the job description for the
5 position;
- 6 D. Name of and/or a unique identification number for the employee(s)
7 involved with conducting the individualized assessment for the
8 applicant;
- 9 E. Date the pre-adverse action notice was issued to the applicant;
- 10 F. The alleged disqualifying conviction(s), including the applicable
11 Penal Code section(s) and year(s) of conviction;
- 12 G. Whether the applicant disputed the accuracy of the background
13 report;
- 14 H. Whether the applicant submitted evidence of rehabilitation or
15 mitigating circumstances
- 16 I. Date the final adverse action notice was issued to the applicant.
- 17 ii. Right to Document Requests: For a period of forty-five (45) days after
18 Ralphs submits each annual report to CRD and the Consultant, CRD and
19 the Consultant shall have the right to request and receive information and
20 documents that Ralphs relied on when conducting the individualized
21 assessments for up to one hundred (100) individuals in each annual report,
22 including, but not limited to: the background report, pre-adverse action
23 notice, Individual Assessment and Reassessment Form, Criminal Record
24 Information Worksheet, any evidence of rehabilitation and/or mitigating
25 circumstances submitted by the applicant, and final adverse action notice.
- 26 iii. Opportunity for Feedback: CRD and/or the Consultant shall have the
27 opportunity to provide feedback to Ralphs regarding their review of the
28 reports and requested documents. Ralphs agrees to consider any and all such

1 feedback in good faith. All communications from Ralphs or its counsel
2 substantively related to that feedback shall be sent to both CRD and the
3 Consultant.

4 **VII. CRD RELEASE**

5 32. Through this Consent Decree, CRD fully and finally releases Ralphs, including
6 each of its and present successors, subsidiaries, parents, holding companies, related or affiliated
7 companies and divisions, from the claims and causes of action that were asserted or could have
8 been asserted in the Third Amended Complaint in this Action that arose at any time through the
9 Effective Date.

10 33. Within five days of the Effective Date, CRD will close its investigation of the
11 administrative complaints in the Action, including its investigation of the allegations in Notice of
12 Group or Class Investigation.

13 34. This Consent Decree does not resolve any administrative complaints that are either
14 (a) filed after the Effective Date or (b) not released under this Consent Decree. CRD reserves all
15 rights to proceed regarding matters not covered in this Consent Decree, other than on behalf of a
16 declining Real Party in Interest. As of the date the Parties sign this proposed Consent Decree, CRD
17 is not aware of any pending administrative complaints relating to the subject matter of this Consent
18 Decree or the Third Amended Complaint beyond those filed by the Real Parties in Interest.

19 35. This Consent Decree in no way affects CRD's statutory rights or duties to process
20 complaints or notices against Defendant not covered by this Consent Decree, including
21 commencing a civil action on any such complaints or notices. This Consent Decree shall in no way
22 hinder or affect an individual's right to file a complaint involving Defendant with CRD or any
23 other applicable agency, or to participate in a government investigation of, and determinations
24 regarding, such complaints.

25 **VIII. DOCUMENT RETENTION REQUIREMENTS**

26 36. Ralphs will preserve all records that contain or relate in any way to their obligations
27 under this Consent Decree.

28 **IX. ENFORCEMENT OF CONSENT DECREE**

1 37. The Parties agree that the Court shall retain jurisdiction over the Action for the
2 Effective Period solely for the purpose of entering all orders and judgments authorized herein to
3 enforce this Consent Decree, including any requests for relief pursuant to this Section.

4 38. If CRD has reason to believe that Ralphs has failed to comply with any provision
5 of this Consent Decree, CRD may file a motion in this Court to enforce this Consent Decree. CRD
6 agrees that before filing any motion, CRD will meet and confer with Ralphs and provide a
7 summary of Ralphs's alleged non-compliance in writing and a reasonable opportunity to cure
8 before filing the motion. Under no circumstance will Ralphs have fewer than twenty-one days to
9 cure.

10 39. Should any party fail to comply with its obligations under this Consent Decree, in
11 whole or in part, in any action or proceeding brought to enforce the provisions of this Consent
12 Decree, the prevailing Party shall be entitled to reasonable attorney fees and costs.

13 40. Failure by CRD to seek enforcement of this Consent Decree with respect to any
14 instance or provision shall not be construed as a waiver of enforcement regarding other instances
15 or provisions.

16 41. Any documents that Defendant creates as a required by this Consent Decree, or
17 records that this Consent Decree requires Defendant to maintain, shall be admissible as evidence
18 in any motion or proceeding to enforce this Consent Decree subject to the Protective Order.

19 **X. TIME FOR PERFORMANCE AND MODIFICATIONS**

20 42. Any time limits for performance imposed by this Order may be extended by mutual
21 written agreement of the Parties without Court approval. Any other modifications to the provisions
22 of this Order must be approved by the Court. Any Party may move the Court to extend the term of
23 this Order for good cause.

24 43. If any provision(s) of this Consent Decree is found to be unlawful or unenforceable,
25 the Parties shall make good faith efforts to agree upon appropriate amendments to this Consent
26 Decree, in order to effectuate the purposes of the Consent Decree. Only such provision(s) found
27 to be unlawful shall be severed, and the remainder of the Consent Decree shall remain in full force
28 and effect. The Parties shall not, individually or in combination with another person, agency, or

1 entity, seek to have any provision of this Agreement declared or determined invalid.

2 44. The Parties have cooperated in the drafting and preparation of this Consent Decree.
3 This Consent Decree will not be construed against any Party on the basis that the Party was the
4 drafter or participated in the drafting.

5 **XI. ATTORNEYS FEES AND COSTS**

6 45. Except as provided for in Section V, CRD and Defendant shall bear their own
7 attorneys' fees and costs associated with this Action and Consent Decree.

8 **XII. EXECUTION**

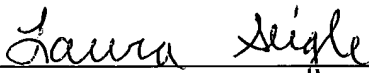
9 46. This Consent Decree, inclusive of Exhibits A-D, is the entire agreement and
10 commitments of the Parties with respect to the matters contained herein.

11 47. Provided that the Court's approval of this Consent Decree is consistent with its
12 material terms, the Parties and their respective counsel hereby waive any and all rights to appeal
13 from it, including all rights to an appellate proceeding and any extraordinary writ, and the Consent
14 Decree therefore will become non-appealable at the time it is entered. The waiver of appeal does
15 not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment
16 proceedings. If any appeal is taken, the time for consummating this Consent Decree (including
17 making payments under this Consent Decree) may be suspended until such time as the appeal is
18 finally resolved and the Consent Decree becomes final.

19 48. The signatories to this Consent Decree confirm that they have the authority to bind
20 the respective Parties to the terms of this Consent Decree, including authority pursuant to code of
21 Civil Procedure section 664.6, subdivision (b).

22 49. This Consent Decree may be executed in counterparts, each of which shall be
23 deemed an original, and which together shall constitute the Parties' single agreement. Facsimile,
24 email, PDF, and/or photocopies signatures shall also be deemed original for all purposes.

25 **IT IS SO DECREED, ADJUDGED, AND ORDERED** this 23 day of July, 2026.

26
27 
28 Honorable Laura A. Seigle
Judge for the Superior Court for Los Angeles County

1 The undersigned hereby apply for and consent to entry of this Consent Decree:

2
3 **For Plaintiff California Civil Rights Department:**

4 DATED: 06/30/2026

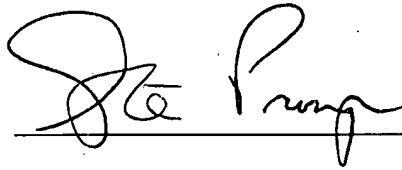
5
6 

7 Asaf Ori, Assistant Chief Counsel
8 California Civil Rights Department

9 **For Defendant Ralphs Grocery Company:**

10 DATED:

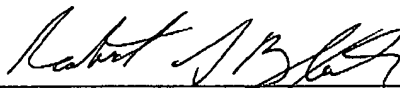
11 6/24/26

12
13 

14 For Defendant Ralphs Grocery Company

15
16 **Approved as to form:**

17
18 DATED: 06/30/26

19
20 

21 Robert S. Blumberg
22 Counsel for Defendant Ralphs Grocery Co.
23
24
25
26
27
28

EXHIBIT A



Superior Court of California, County of Los Angeles
California Civil Rights Dept. v. Ralphs Grocery Company
Case No. 23STCV31213

Notice of Settlement

***Authorized by the Superior Court of California,
County of Los Angeles***

**There is a \$200,000
settlement of a state
lawsuit.**

**You are being offered a
share of settlement and
may be entitled to
money in exchange for a
Release of Claims.**

**What you should do
now:**

- 1. Read this Notice
and enclosed
Release.**
- 2. Decide whether to
accept the
settlement money
by signing and
returning the
Release.**

Important things to know:

- Releasing claims is voluntary.
 - If you take no action, you will not be bound by the enclosed Release, and you will not receive any part of the settlement money.
 - A copy of the Release of Claims is enclosed with the Notice. In order to receive settlement money, you must sign and return it to CRD by **[INSERT DATE]**.
-

About This Notice

Why did I get this Notice?

You are receiving this Notice because you are eligible to receive a payment as part of a recent settlement agreement.

This Notice is to tell you about the settlement ("Consent Decree") in the lawsuit *California Civil Rights Department v. Ralphs Grocery Company* brought by the California Civil Rights Department ("CRD") on behalf of four individuals ("Real Parties in Interest") whose conditional job offers were rescinded due to their conviction histories and a class of future Ralphs applicants with conviction histories (the "Lawsuit").

You received this Notice because you are one of the Real Parties in Interest, on whose behalf CRD filed the Lawsuit. You are not a party to the pending Lawsuit.

Enclosed with this Notice is an Individual Release of Claims in Government Enforcement Action ("Release") and the Consent Decree.

This Notice is an important legal document, and we recommend that you read all of it. If you have questions or need assistance, please consult an attorney. The State Bar of California has a Lawyer Referral Services Program which can be accessed through its website at www.calbar.ca.gov under the "Public" link, or by calling 866-442-2529 (within California) or 415-538-2250 (outside California). Your local city or county may also have a lawyer referral or legal aid service.

Read on to understand the specifics of the Consent Decree and what each choice would mean for you.

Learning About the Lawsuit

What is this lawsuit about?

This lawsuit is about whether Ralphs Grocery Company violated California's Fair Chance Act, a law protects the rights of people with conviction histories by reducing barriers to employment. Ralphs Grocery

Company denies that it engaged in any of the unlawful employment practices as alleged by CRD at any time.

Why is there a settlement in this lawsuit?

In February 2026, the parties agreed to settle, which means they have reached an agreement to resolve the lawsuit. Both parties want to avoid the risk and expense of further litigation, and believe the settlement addresses the concerns raised in the lawsuit. No court or jury has decided this case in favor of either side and Ralphs denies the allegations.

The settlement agreement is memorialized in a document called the Consent Decree. A copy of the Consent Decree is enclosed with this Notice. The settlement is on behalf of CRD and the individuals named as Real Parties in Interest in the Lawsuit.

What is a consent decree?

A consent decree is a type of settlement process that resolves a case under the supervision of a judge.

Learning About the Settlement

What does the settlement include?

Ralphs agreed to pay \$200,000 to resolve the Lawsuit. CRD will determine how to divide this amount among the participating Real Parties in Interest—which could include you.

Real Parties in Interest who decide to release their claims and participate in this settlement in order to receive a monetary payment cannot sue Ralphs for the issues that were raised in the lawsuit. The full details of the release are enclosed with this Notice in a document called "Individual Release of Claims in Government Enforcement Action." Real Parties in Interest who choose not to participate will not receive a monetary payment. They may choose to bring their own action against Ralphs. The Consent Decree will not impact claims or defenses in that action.

In addition, Ralphs has committed to making a number of changes in its hiring

process including: removing questions regarding prior convictions from its job application, working with a consultant who will review Ralphs's implementation of the Fair Chance Act, providing training on the Fair Chance Act for all personnel who conduct individualized assessments, and reporting on Ralphs's individualized assessments of applicants to CRD for three years.

Is CRD my lawyer?

No. CRD is not your lawyer in this lawsuit, and you are not a party in this lawsuit. CRD is the plaintiff in this lawsuit, and it represents the interests of the state of California, but it does not represent any of the Real Parties in Interest.

Do I have to pay the lawyers in this lawsuit?

No, and no money has been deducted from your allocated payment for CRD's attorneys' fees and costs. If any of the amount is not distributed to Real Parties in Interest or checks go uncashed, CRD may request permission from the Court to use that money to offset some of its attorneys' fees and costs.

Deciding What You Want to Do

What are my options?

You have two options:

1. Accept the settlement by signing and returning the Release within 45 days to CRD. You will then receive a settlement check and be bound by the Release.
2. Do nothing. You will not receive a settlement check, but you will also not be bound by the Release.

Each of these options is discussed in more detail below.

Accepting the Settlement

What happens if I sign and return the enclosed Release?

If you sign and return the enclosed Release within 45 days of the date on this Notice, or **[INSERT DATE]**, then you will receive your settlement payment. You will also be bound by the enclosed Release. You will not be able to start, continue, or be part of any other lawsuit that asserts any of the claims you Release.

If you do not want to be bound by the enclosed Release, do NOT sign and return the Release.

How do I get the Settlement Payment?

You can receive your payment by completing the Release included with this Notice and submitting them via email or mail to CRD by **[INSERT DATE]**.

Before signing and completing the included Release, please read the Release carefully. If you choose to sign the Release, write your name and mailing address where indicated, and sign and date it at the end of the Release. Please include a mailing address you have regular access to so Ralphs can mail the payment to you.

You can submit the completed release to CRD by:

- Emailing the forms as an attachment to Asaf.Orr@calcivilrights.ca.gov or Nassim.Moallem@calcivilrights.ca.gov.
- Mailing the forms to:
California Civil Rights Department
c/o Asaf Orr, Legal Division
651 Bannon Street, Suite 200
Sacramento, CA 95811

Remember you MUST submit the completed Release no later than [INSERT DATE] in order to get a payment.

Could I receive more money than stated on my Release?

Maybe. If one or more Real Parties in Interest decide **not** to release their claims, their allocated amount may be distributed to the participating Real Parties in Interest, or retained by the CRD with the Court's approval.

Doing Nothing (Not Signing the Release)

What happens if I do nothing or reject the Release?

If you do nothing, you will not get any money. You will also not be bound by the Release.

Even if you choose not to participate in the settlement and reject the monetary payment, the settlement will still move forward. This means other Real Parties in Interests who do sign the Releases will receive money, and Ralphs Grocery Company will still make the changes in its hiring practices as required by the Consent Decree. The pending lawsuit by CRD will eventually be dismissed. If you decide to reject the monetary payment because you want to bring your own claim(s) against Ralphs, please know that you may need to do that within a specific timeline and follow specific steps. Before rejecting the monetary payment and moving forward with this option, you should consider consulting with or hiring a lawyer so you understand the steps you need to take to bring your own claim(s) against Ralphs.

Key Resources

How can I get more information?

This Notice is a summary of the settlement contained in the Consent Decree. A copy of the Consent Decree is enclosed. It can also be found [here](#).

You can also contact CRD by phone at (833) 525-4333, or by e-mail at Asaf.Orr@calcivilrights.ca.gov or Nassim.Moallem@calcivilrights.ca.gov.

To obtain additional documents filed in this case you can access the Superior Court of Los Angeles online at <https://www.lacourt.ca.gov/paos/v2web3/DocumentImages> or by visiting the

Clerk's office of the Court located at:

Superior Court of California
County of Los Angeles
Spring Street Courthouse, Dept. 17
312 N Spring St, Los Angeles, CA 90012

Please do not contact the Court with questions regarding this Settlement.

EXHIBIT B

**INDIVIDUAL RELEASE OF CLAIMS IN
GOVERNMENT ENFORCEMENT ACTION**
California Civil Rights Department v. Ralphs Grocery Company
(Los Angeles Super. Ct., Case No. 23STCV31213)

Through a Consent Decree, the California Civil Rights Department ("CRD") resolved legal claims stemming from an investigation, and subsequent lawsuit ("the Civil Action"), it pursued against Defendant Ralphs Grocery Company ("Ralphs"), on your behalf, in exchange for Ralphs's agreeing to monetary and injunctive relief. The Consent Decree (enclosed with this release) is the settlement agreement between CRD and Ralphs ("Settlement"). You should take sufficient time to carefully review these documents, including this Individual Release, and to discuss them with others, including a personal attorney if you choose. No one can pressure you into agreeing to the terms in this Individual Release.

1. I, _____, agree to release all claims arising under the Fair Employment and Housing Act (Government Code §12920 *et seq.*), inclusive of the California Fair Chance Act (Government Code § 12952), that were or could have been raised in the complaint I filed with the California Civil Rights Department, or reasonably related claims that fall within the jurisdiction of the California Civil Rights Department that I may have against Defendant Ralphs Grocery Company as well as its insurers, attorneys, agents, employees, former employees, heirs, and executors arising through the Effective Date of the voluntary Settlement Agreement in exchange for receiving a monetary payment of [\$XX,XXX.XX].

2. This Release of Claims ("Individual Release") is a binding legal document.

3. As of the date of signing this Individual Release, I affirm I have no pending lawsuits or administrative complaints against Defendant Ralphs Grocery Company under the California Fair Chance Act.

4. By signing this release, I am choosing to fully participate in the Consent Decree and agree to this Individual Release. I understand that I have had full opportunity to consider and understand the terms of this Individual Release and to consult with an attorney and seek legal advice, should I choose to do so. I understand that I am making the choice freely to agree to the Individual Release and accept

the Monetary Relief negotiated as part of the Consent Decree.

5. I understand that so long as I provide this signed Individual Release to the California Civil Rights Department by **[Date]**, I will receive a settlement check in the amount of **[\$XX,XXX.XX]**. I understand that once I receive the settlement check, I must cash or deposit the settlement check within 180 days of the date of issue.

6. I understand that once I cash or deposit the settlement check, I am solely responsible for correctly characterizing these payments on my personal income tax returns for tax purposes and/or reporting to any public agency in relation to any public benefits, and for paying all appropriate taxes due and penalties assessed on any and all amounts paid to me under the Settlement Agreement.

Executed this ____ day of _____, 2026.

Signature

Print Name

Mailing Address

EXHIBIT C

[Date]
[Applicant Name]
[Applicant Address]
[City, State Zip]

Notice of Preliminary Decision to Revoke Job Offer Because of Conviction History

Dear [Applicant Name]:

On [date] we made you a conditional offer of employment for [INSERT JOB TITLE]. At that time, we made you aware that as part of our employment eligibility process, Ralphs Grocery Company (Company) obtains consumer reports (commonly referred to as "background reports"). These background reports assist us in evaluating individuals for employment. In conducting this assessment the Company complies with the requirements of the California Fair Chance Act.

You authorized us to obtain a background report about you from Sterling, LLC (Sterling). You can access a copy of the background report that Sterling prepared by clicking the link below. If you need to have a copy of the report mailed to you, please contact Sterling at the phone number below. We are also enclosing a summary of your rights under the Fair Credit Reporting Act (FCRA).

We have not yet made a final hiring decision, but **based on a review of your background report and the duties of the position you have been conditionally offered, we have made a preliminary (non-final) decision to revoke (take back) the conditional offer of employment.** Attached is an Individual Assessment form we prepared to explain the reason(s) for this preliminary decision. Below are the convictions that we based our preliminary decision on:

[Criminal information – which criminal convictions are the basis of the determination that the employee should not be hired.]

In light of the specific criminal information listed above, Ralphs has preliminarily determined that your conviction history has a direct and adverse relationship with the specific duties of the position offered.

You have the right to respond to this initial assessment and we will reassess your application before a final decision is made. The process for responding is discussed in more detail below. **If you decide not to respond, we will revoke your conditional offer of employment without any further consideration.**

Your response can include (1) evidence challenging the accuracy of the criminal history report, and/or (2) evidence showing your rehabilitation from your criminal history, or mitigating circumstances.

To provide evidence challenging the accuracy of the criminal report, please contact Sterling at <https://mybackgroundcheck.sterlingcheck.com/> or at the telephone number or email address provided below. Sterling will investigate your dispute in accordance with the FCRA. We ask that you also let Ralphs know directly if you believe that anything in your report is inaccurate or incomplete so that this can be taken into consideration, as appropriate, in connection with our reassessment of your preliminary eligibility determination.

To provide evidence showing your rehabilitation from your criminal history, or mitigating circumstances, or with other information you believe Ralphs should consider before making a final determination, please

complete the enclosed Criminal Record Information Worksheet and return it to Ralphs as soon as possible at ApplyingatRalphs@kroger.com or [INSERT RALPHS ADDRESS AND/OR WEBSITE]. Your responses will be confidential.

To make sure you have a chance to review this letter and the attached information, Ralphs will not make a final decision on your employment eligibility for at least five (5) business days from the date of receipt of this letter. This will give you time to dispute any information in the report with Sterling (for example, if you believe any information in your report is inaccurate or incomplete), and/or submit to Ralphs any evidence you may wish to present (such as evidence of rehabilitation and mitigating circumstances) or other information you believe Ralphs should consider before making a final determination on whether to revoke your conditional job offer. If you need additional time to respond, you must let us know within this initial five (5) business day period and Ralphs will give you an additional five (5) business days to respond to the letter. If you require more time to respond in light of a disability, please request an accommodation by emailing ApplyingatRalphs@kroger.com.

If you provide additional information challenging the accuracy of the information Ralphs relied upon, or evidence of rehabilitation or mitigating circumstances, Ralphs will conduct a second individualized assessment prior to making any final decision regarding your application or employment. We will notify you in writing if we make a final decision to revoke your job offer.

Thank you again for considering employment with Ralphs Grocery Company. If you have questions about Ralphs's employment eligibility criteria, please contact us directly at 310.900.3739.

Sincerely,

Ralphs Grocery Company
1100 West Artesia Blvd.
Compton, CA 90220

Attached: Copy of Consumer Report, FCRA Summary of Rights, and if applicable, California Summary of Rights, Fair Chance Initiative for Hiring Ordinance Notice.

Name of Consumer Reporting Agency:

Sterling Talent Solutions
Attn: Consumers Department
1 State Street Plaza, 24th Floor
New York, NY 10004

Phone: 844.468.6522 * (Monday - Friday, 7am to 7pm Eastern Time)

E-mail: Dispute.resolution@sterlingcheck.com

EXHIBIT D

[Date]
[Applicant Name]
[Applicant Address]
[City, State Zip]

Notice of Final Decision to Revoke Job Offer Because of Conviction History

Dear [Applicant Name]:

As part of Ralphs Grocery Company's employment eligibility process, you authorized Ralphs to obtain a consumer report (commonly known as a "background report") about you for purposes of verifying your background and credentials, and checking your conviction history. Ralphs previously provided you with a notice informing you that it made a preliminary decision to revoke your conditional job offer. The notice included a copy of your background report along with certain additional informational disclosures, including a summary of your rights under the federal Fair Credit Reporting Act (FCRA). If you did not receive that notice or the attached reports and additional disclosures, please let us know as soon as possible.

This is to advise you that Ralphs has decided to revoke the conditional of employment made to you.

This decision was based on the following disqualifying criminal history:

[Criminal information - which criminal convictions are the basis of the determination that the employee should not be hired.]

Ralphs' has, in light of the specific criminal information listed above and any and all other information provided to it or otherwise at its disposal, including your response to the individualized assessment, determined that your conviction history has a direct and adverse relationship with the specific duties of the position offered.

In connection with Ralphs' evaluation of your eligibility for employment, the consumer reporting agency listed below provided us with your background report which contained information that, in whole or in part, influenced Ralphs' employment decision. This consumer reporting agency played no part in our decision other than providing the information about you, and the agency will not be able to provide you with specific reasons for our decision.

Under the FCRA, you are entitled to free disclosure of the information contained in your background report by contacting the consumer reporting agency directly within sixty (60) days of this letter. You also have the right to dispute any information in your background report, including but not limited to the completeness or accuracy of the information. To do so, you may contact Sterling at <https://mybackgroundcheck.sterlingcheck.com/> or at the telephone number or email address provided below.

[Any right to appeal or challenge the decision] If you want to appeal the decision, you may do so by notifying Ralphs' in writing of your appeal, including any facts that you wish to bring to the Ralphs' attention. Any such appeal should be sent to ApplyingatRalphs@kroger.com.

You also have the right to file a complaint with the California Civil Rights Department (CRD). There are several ways to file a complaint with CRD:

- File a complaint online at the following link: ccrs.calcivilrights.ca.gov/s/
- Download an intake form from calcivilrights.ca.gov/complaintprocess/filebymail/ and email it to contact.center@calcivilrights.gov or mail it to 651 Bannan Street, Suite 200, Sacramento, CA 95811.
- Visit a CRD office. Office locations are available at calcivilrights.ca.gov/locations/

For more information, visit calcivilrights.ca.gov/complaintprocess/ or call (800) 884-1684.

If you have questions about Ralphs' employment eligibility criteria or anything else about Ralphs' decision, please contact us directly at 310.900.3739.

Sincerely,

Ralphs Grocery Company
1100 West Artesia Blvd.
Compton, CA 90220

Name of Consumer Reporting Agency:

Sterling Talent Solutions
Attn: Consumers Department
1 State Street Plaza, 24th Floor
New York, NY 10004

Phone: 844.468.6522 * (Monday - Friday, 7am to 7pm Eastern Time)

E-mail: Dispute.resolution@sterlingcheck.com