



Apollo & Heritage Grocers Labor Fact Sheet

Apollo Investment Fund IX owns and controls Heritage Grocers Group,ⁱ a grocery chain including Cardenas Markets in California, Nevada, and Arizona; Tony's Fresh Markets in Illinois; and El Rancho Supermercado in Texas.

Apollo is fundraising for Apollo Fund XI, seeking to raise \$25 billion in commitments.ⁱⁱ

United Food & Commercial Workers International Union is organizing workers at Heritage subsidiaries, Tony's and Cardenas.

Heritage's workforce management practices outlined below raise fiduciary concerns, including alleged violations of workers' rights, potential losses from litigation, possible lost sales from reputational damage, and reduced productivity from poor workplace morale and conflict.

Tony's Divisive Anti-Union Campaign

In February 2025, Tony's workers filed a petition with the National Labor Relations Board (NLRB) to hold a union election. What followed was a barrage of intimidation and anti-union messages from management urging workers to vote no, including messages that invoke fears around immigration enforcement.

Management's anti-union campaign includes anti-union meetings in groups and one-on-one, anti-union texts, and an anti-union website. Examples of Tony's statements include:

- "UFCW has previously agreed to member firings over immigration-related matters."
- "You could be forced to pay fees to keep your job even if you don't officially join the union."
- "The National Labor Relations Board has ruled that ...collective bargaining is potentially hazardous for employees..."

Heritage's apparent attempt to make Tony's workers think UFCW is an agent of immigration-related firings is set against the backdrop of high-profile raids by U.S. Immigration and Customs Enforcement in Chicago and heightens fear in immigrant communities, where both employees and customers of Tony's stores live.

Tony's Management Text to Workers

Does the union really have your back?

UFCW has previously agreed to member firings over immigration-related matters. At Jewel Food Stores, the union allows employees who have their Social Security questioned by the government to be removed directly from the schedule, and employees who do not resolve documentation issues can be fired in 14 days!

Is this the representation you want?
Can you trust the UFCW?

LINK:



+ iMessage

Tony's also uses a union-busting consultant called People Results, a questionable use of investor assets.

On March 17, 2025, a worker from Tony's gave [public comment](#)ⁱⁱⁱ at California Public Employees Retirement System's Board meeting, describing how managers at her store interrogated her and told coworkers that the union might ask for their immigration documentation.

Locally, news reports augment potential risks to Tony's brand. On March 19, 2025, radio station [KBEZ](#) (minute 1:03) and [Univision](#) reported on the upcoming election and how Tony's management is intimidating workers, including an interview with one worker who was allegedly terminated for her union activity.

Given Heritage's immigrant customer base – something reflected in the company's name – we believe its aggressive approach could pose risks to customer loyalty and brand reputation, in addition to worker morale and thus performance, all of which could impact investment returns.

Cardenas's Labor Record

Cardenas Markets' labor record raises fiduciary concerns, including the risk of litigation from alleged labor law violations, and includes the following matters:

Litigation

1. SETTLED: On March 12, 2024, Cardenas Markets settled two class action lawsuits filed in Alameda County at a cost of \$2,500,000 without admitting wrongdoing.^{iv} The lawsuits alleged violations of the California Labor Code that are similar to allegations settled by Cardenas in 2021.^v
 - a. The settlement covers 10,253 employees for the period from January 24, 2021 through April 3, 2023. Similar allegations to a 2021 settlement include pay and overtime violations and rest break violations.
2. PENDING: On May 9, 2024, a worker who had worked in Cardenas in 2023 sued Cardenas Markets in the County of Los Angeles-West Covina on behalf of himself and other aggrieved employees, alleging that Cardenas has committed California Labor Code violations since 2022, including pay and overtime violations, meal break violations, reporting time and split shift violations.^{vi} The company has denied the allegations.
 - a. The fact that this class action lawsuit alleges violations that overlap with the type of allegations made in the 2021 and 2024 settlements suggests that Cardenas' alleged labor practices pose an ongoing risk of litigation.
3. PENDING: On May 9, 2024, a Cardenas employee filed a class action suit in Santa Clara County, California, alleging that Cardenas Markets failed to provide meal and rest breaks, failed to pay overtime and minimum wages, and failure to provide accurate

wage statements.^{vii} Cardenas Markets is seeking to compel the plaintiff to submit her claims to arbitration.

4. SETTLED: In August 2023, Cardenas Markets settled another class action lawsuit at a cost of \$1,500,000 without admitting wrongdoing. The lawsuit alleged violation of California’s labor regulations by failing to provide seats to cashiers. The settlement covers 8,000 Cardenas workers for the settlement period from 8/13/2018 through 1/4/2023. The settlement also required Cardenas to institute a “pilot project” to assess suitable seats for cashiers in four stores.^{viii}
5. PENDING: 3 lawsuits were filed against Cardenas Markets in 2024 alleging claims of sexual harassment and retaliation for reporting sexual harassment under California’s Fair Employment and Housing Act.^{ix}
 - a. One case: On May 3, 2024, Ms. Valeria Alvarez filed suit against Cardenas Markets alleging claims under California’s Fair Employment and Housing Act of sexual harassment, retaliation for reporting sexual harassment, failure to prevent retaliation, and wrongful termination.^x On March 7, 2023, Ms. Alvarez had filed a complaint with the U.S. Equal Employment Opportunity Commission. On April 11, 2023, Cardenas fired her. The EEOC found that Cardenas terminated the store manager from his job, after the company investigated Ms. Alvarez’ sexual harassment allegations against him. However, on January 2, 2024, the EEOC dismissed her complaint and issued her a Right to Sue letter.
 - i. Watch Ms. Alvarez give public comment at the [June 10, 2023](#) Board meeting of California Public Employees Retirement System and the [November 1, 2023](#) Board meeting of the California State Teachers Retirement System.

Right to Organize

6. NLRB Complaint: On October 30, 2024, the National Labor Relations Board filed a complaint against Cardenas Markets, after investigating two UFCW charges filed in December 2022 and May 2023.
 - a. The complaint alleges that Cardenas terminated Rosalba Martinez as a result of her union and protected activity, and that Cardenas managers allegedly threatened to discipline employees who spoke to Ms. Martinez or the Union (31-CA-309654). (see #9 below)
 - b. The complaint also alleges co-worker Juan Gonzalez’s hours were reduced because “Respondent believed Gonzalez formed, joined, and/or assisted the Union” (31-CA-319001).
 - c. NLRB’s complaint alleges that by these acts, “Respondent has been interfering with, restraining, and coercing employees in the exercise of the rights

guaranteed” under the National Labor Relations Act to choose freely whether they want to form a union or not.

7. Additional NLRB Charges: UFCW Locals have filed unfair labor practice charges (“ULPs”) with the National Labor Relations Board, the agency charged with protecting workers’ right to organize and freedom of association.
 - a. 28-CA-353965: filed on 10/18/24, alleging that Cardenas Markets “interrogated and reduced hours of employee Maria de Lourdes Gonzalez on account of her Union and/or protected activity.”
 - b. 31-CA-348324: filed on 8/12/2024, alleging that Cardenas discharged Enrique DeLeon for union and/or protected activity.
 - i. Watch Mr. De Leon give public comment at the [September 16, 2024](#) Board meeting of California Public Employees Retirement System.
8. On June 4, 2024, four HR representatives conducted an anti-union meeting with roughly a dozen workers at a Cardenas Markets store in Colton, CA, a day after some of the workers had attended a meeting with union representatives next door where they were seen by Cardenas managers. According to multiple workers who attended, HR representatives said workers would not benefit from the union, the union would charge workers dues and go on vacation with the money, and that if they supplied false information to the union, workers could lose their jobs. HR also showed a video with people saying negative things about the union and said the union had not been able to unionize Cardenas.
9. On December 2, 2022, Cardenas bakery worker Rosalba Martinez was ill at work and she reported that a manager asked her to take a drug test and a *pregnancy* test. After being suspended, Ms. Martinez testified about this demand and her working conditions on an AFL-CIO panel regarding labor rights in private equity-owned companies. She was fired on December 23, 2022. (See #6 NLRB Complaint Issued)
 - c. Watch Ms. Martinez give [her public comment](#) at a January 26, 2023 Board meeting of the California State Teachers Retirement System.
10. On June 1, 2023, Joanna Reiss, Apollo’s Head of Impact Investing and Director of Cardenas parent Heritage Grocers, told Teachers Retirement System of Louisiana Board that Ms. Alvarez and Ms. Martinez’s stories “simply are not true” after relying on Cardenas’ investigations.
11. Cardenas competes with unionized grocers that set a good living standard and protect workers’ rights on the job.

- d. 50% of Cardenas Markets are located within 2 miles of one or more Union grocery stores (2 miles is generally accepted as an industry standard for stores that compete for the same customer base)
 - e. 30% are located within 1 mile of a Unionized grocer.
12. Apollo recently resolved labor risks at a portfolio company in Nevada, by leading management at the Venetian Resort Las Vegas to negotiate a neutrality agreement with several unions in 2023 that guaranteed workers' fundamental rights and better protected investors from related workplace risk.^{xi}
13. On November 25, 2024, Cardenas' parent company Heritage Grocers Group named Suzy Monford as CEO, replacing Doug Sanders who had been CEO of Cardenas Markets since 2020 and had a prior relationship with Apollo as CEO of Sprouts Markets under Apollo's ownership. A change in the company's leadership represents an opportunity to resolve the labor dispute and the corresponding risks to LP's investment in the company.

Endnotes

ⁱ More than 80% of Heritage Grocers' equity was contributed by Apollo based on data provided by Moody's Rating Action. Of the 5 Directors of Heritage Grocers we can publicly identify as of September 22, 2023, 2 are employed by Apollo and 2 more were directors at other retail companies under Apollo's ownership.

ⁱⁱ <https://www.bloomberg.com/news/articles/2024-12-09/apollo-targets-25-billion-for-flagship-private-equity-fund?srnd=homepage-americas>

ⁱⁱⁱ https://www.youtube.com/live/aSQlStE_Ms0?si=NOta19xfEYiJV7fV&t=15541 3/17/2025, time stamp 4:19:19

^{iv} Superior Court of California, County of Alameda, CASE NO. 22CV005906, ORDER APPROVING SETTLEMENT AGREEMENT, filed 3/12/2024. Also includes Superior Court of California, County of Alameda, Case No 22CV010993 - Marleny Mejia Irias v. Cardenas Markets LLC et al

^v 2021 settlement with similar allegations predating Apollo's ownership: Superior Court of the State of California, County of San Bernadino, Case CIVDS1917380, ORDER GRANTING FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND FINAL JUDGMENT, p. 4.

^{vi} Superior Court of California, County of Los Angeles-West Covina, Case No. 24PSCV01057 – Raul Gutierrez v. Cardenas Markets, Amended Complaint, dated 5/9/2024.

^{vii} Superior Court of the State of California, County of Santa Clara, Case # 24CV438614, DAMARES GONZALEZ MENERA v. Cardenas Markets, complaint filed 5/9/2024. Also see Superior Court of the State of California, County of Alameda, Case #24CV083509, DAMARES GONZALEZ MENERA v. Cardenas Markets, complaint filed 7/16/2024.

^{viii} Superior Court for the State of California, County of Riverside, Case # RIC-1905393, LILIANA ESQUIVEL v. Cardenas Markets, Order and Judgment Approving the Parties' PAGA Settlement Agreement, dated 8/29/2023, p. 12. Complaint alleged violation of Industrial Welfare Commission Wage Order No. 7, Section 14 (A) and (B):

"(A) all working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats; and (B) when employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties."

^{ix} Superior Court of the State of California, County of San Bernardino, Case #CIVSB2416006, filed 5/3/2024; Superior Court of the State of California, County of San Bernardino, Case #CIVSB2409366, filed 3/20/2024; Superior Court of the State of California, County of San Bernardino, Case #CIVSB2431480, filed 10/31/2024

^x Superior Court of the State of California, County of San Bernardino, Case No CIVSB2416006, Alvarez v. Cardenas Markets et al.

^{xi} <https://thenevadaindependent.com/article/unions-including-culinary-reach-deal-to-organize-venetian-palazzo-workers>