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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

JULIA DOWNS et al., individually, and on behalf of all others similarly situated, Plaintiffs, vs. GUARANTEED RATE, INC. and DOES 1 through 50, inclusive Defendants.	Case No.: 21CV003476 Assigned to: Hon. Karin Schwartz Dept: 20 **DECLARATION OF JOHN GLUGOSKI IN SUPPORT OF PLAINTIFFS' MOTION FOR APPROVAL OF PAGA SETTLEMENT AND ENTRY OF JUDGMENT** Hearing Date: August 6, 2025 Time: 3:00 p.m. Judge: Hon. Karin Schwartz Location: Dept. 20 **Reservation ID: 892095076853**

I, **JOHN GLUGOSKI,** hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California with Righetti Glugoski, P.C. (Formerly Righetti Law Firm P.C.), attorneys of record for Plaintiffs. I have personal knowledge of the following facts and if called as a witness would testify as follows:

EDUCATION AND EXPERIENCE

2. I graduated from the University of California at Berkeley in 1993 with a degree in Political Science. I then graduated from the University of San Francisco, School of Law in 1997. I am admitted to practice law before the following courts: United States Court of Appeals, Ninth Circuit, United States Court of Appeals, Federal Circuit, United States District Court, Northern, Central, Eastern, and Southern Districts of California, and all of California's state courts.

3. I have been practicing law full time for close to twenty-eight (28) years. My practice has been devoted to complex class, collective and representative action litigation. Much of this litigation has involved class action, and representative action prosecution of wage and hour laws (state and federal), state and federal privacy laws (FCRA and CCCRA) and consumer laws. My practice involves litigation in both state and federal courts. A sampling of some of the more significant cases (including wage and hour litigation) handled by Righetti Law Firm, P.C., includes: *Rocher v. Sav-On Drug Stores* (Hon. Victoria G. Chaney, Los Angeles County Superior Court), co-lead counsel in a certified overtime class action [in a seminal decision, the California Supreme Court unanimously overturned the Court of Appeal's decision to reverse certification (*Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319);*Gentry v. Circuit City Stores, Inc.* (Hon Tricia Ann Bigelow, Los Angeles County Superior Court), plaintiff's counsel in an overtime class action where the court of appeal's decision affirming the trial court's order to enforce an employment agreement barring class actions was reversed by the California Supreme Court in *Gentry v. Superior Court* (2007) 42 Cal.4PthP 443; *Cooper et al. v. Chief Auto Parts* (Hon. Ken Kawaichi, Alameda County Superior Court), a multi-party (over 200 included plaintiffs) overtime case that proceeded through a merits arbitration; *Winfrey v. Chief Auto Parts* (Hon. David Garcia, San Francisco Superior Court), a certified wage and hour class action where

the trial court's order to deny certification was reversed by the First DCA in an unpublished opinion. *Crab Addison v. Superior Court*, (LASC Case No. BC377269) plaintiff's counsel in a wage and hour case styled as a class action where 2nd DCA affirmed trial court's order granting plaintiffs access to names and contact information of putative class members without first sending a "privacy letter" (regarded as a landmark published decision affirming the trial court's order). *Crab Addison v. Superior Court* (2008) 169 Cal.App.4PthP 958 (rehearing denied January 23, 2009; petition for review denied March 18, 2009); and *Rutti v. Lojack Corporation, Inc.* (USDC, Central District, Case No. SA CV06-0350-DOC (RNBx, Judge Carter) plaintiffs' counsel in a wage and hour class action. District court's order granting Defendant's motion for summary judgment *reversed* when the 9th Circuit granted plaintiffs' Petition for Rehearing. See, *Rutti v. Lojack Corporation, Inc*. 596 F.3d 1046 (2010) [setting the parameters of both the "de minimus" doctrine and workers' right to wages under California law where employer exercises control over workers]; Home Depot and 99 Cent Only Stores where the trial courts limited the California Private Attorney General Act (PAGA) <u>only</u> to claims under the Labor Code and not to claims under the IWC Wage Orders. In both cases the Courts of Appeal reversed in published decisions. *See Home Depot v. Superior Court* (2011) 191 Cal.App.4th 210 (review denied March 16, 2011) (holding PAGA applicable to seating claims on grounds that Labor Code §1198 incorporates IWC Wage Order protections); *Bright v. 99 Cents Only Stores* (2010) 189 Cal.App.4th 1472 (review denied February 16, 2011) (same); PAGA action against Bank of America on behalf of California bank tellers. The case was twice dismissed by Judge Real. Judge Real's orders were both reversed by the Ninth Circuit – *Green v. Bank of America, N.A.* (9th Cir. 2013) __ Fed. Appx., 2013 WL _______ and *Green v. Bank of America, N.A.* (9th Cir. 2015) 634 Fed.Appx. 188. On remand the Ninth Circuit removed the case from the docket of Judge Real and re-assigned the case to Judge Percy Anderson.

4. There are many cases where Righetti Law Firm, P.C. (now Righetti Glugoski, P.C.) has acted as class and representative action counsel in certified class actions and PAGA actions in state and federal courts and on appeal.

5. We acted as trial counsel in what we believe are the only four class action overtime cases ever to have been tried under the quantitative executive exemption standard articulated in *Ramirez v. Yosemite Water Company* (1999) 20 Cal.4th 785. The first case was tried in Los Angeles County Superior Court before the Hon. J. Stephen Czuleger, resulting in a phase one finding that U-Haul had misclassified all California salaried "General Managers" as exempt from overtime. The case settled before the phase two remedy trial convened. The second case was tried in San Diego County Superior Court before the Honorable Patricia Cowett, resulting in a phase one finding that Aiko *Party City* had misclassified salaried employees as exempt from overtime (the phase two damages trial was completed as well). In the third case, we are co-lead counsel in the *Sav-on* overtime litigation that completed the first phase of trial before the Honorable Victoria G. Chaney in Los Angeles County Superior Court (complex). In the fourth trial we were class counsel in a certified class action against Taco Bell alleging that its restaurant general managers were misclassified as exempt under California law. The case was tried in the San Diego County Superior Court before the Hon. Kevin Enright and settled after four weeks of trial.

6. Righetti Glugoski, P.C. also represents various amicus groups on occasion in court of appeal proceedings. We have handled appeals throughout California and in the federal courts of the Ninth Circuit, the Seventh Circuit, and the Federal Circuit.

RELEVANT LITIGATION HISTORY AND INVESTIGATION

7. In September 2021, two lawsuits against Guaranteed Rate, Inc. ("GRI") were filed in separate counties with overlapping PAGA causes of action in addition to the named Plaintiff's individual California Labor Code claims. This first PAGA matter was filed by Julia Downs ("Downs") in Alameda County and the second PAGA matter was filed by Jose Magallanes ("Magallanes") in the San Diego Superior Court. Both PAGA actions were predicated on the same theories and labor code sections. Because each of the named Plaintiffs entered into arbitration agreements, their individual damages claims (including individual PAGA penalty claims), were sent to arbitration. Upon completion of the individual arbitrations, the named Plaintiffs were scheduled to return to Court to prosecute the representative relief on behalf of the

State of California and the aggrieved employees. While in arbitration, Downs and Magallanes agreed to participate in a global mediation of their individual and representative PAGA claims with Defendant. After a failed mediator's proposal, the Parties engaged in ongoing and extensive negotiations and were ultimately able to reach a global settlement.

8. This proposed settlement seeks to resolve the claims in the consolidated complaint for $445,000.00. If approved, the settlement resolves approximately **22,287** pay periods worked by **450** aggrieved employees.

9. On September 14, 2021, Plaintiff Downs provided written notice to both the LWDA (PAGA No. LWDA-CM-833169-21) and Defendants identifying the specific provisions of the Labor Code she contends were violated, and the theories supporting her contentions. Plaintiff Downs alleges that Defendants violated California Labor Code §§ 200, 201, 202, 203, 204, 226, 226.7, 432, 500-508, 510, 515, 558, 1174, 1194, 1197, 1198, 1198.5, 2802 and 2698, et seq. On September 14, 2021, Plaintiff Magallanes also provided a written notice to both the LWDA (PAGA No. LWDA-CM-844574-21) and Defendant identifying similarly the specific provisions of the Labor Code he contends were violated, and the theories supporting his contentions. The sixty-five (65) day notice period expired and the LWDA did not take any action to investigate or prosecute either matter. Therefore, Plaintiffs exhausted the statutory time period to bring this action and filed suit.

10. After exhausting administrative remedies, Plaintiffs filed PAGA actions in Alameda County Superior Court. and San Diego Superior Court. When each of the Plaintiffs were hired by Defendants, each *Plaintiff* entered into an arbitration agreement. At the time these cases were filed, the law in California held that PAGA claims could not be waived through arbitration agreements nor compelled to arbitration.

11. The underlying PAGA claims has been vigorously litigated for close to three years (3) years, including extensive law and motion, written discovery, and numerous depositions. The parties reached an agreement to settle the representative PAGA claims alleged in the consolidated

complaint in their entirety for $445,000.00.[1] Marked and attached hereto as Exhibit 1 is a true and correct copy of the PAGA Settlement and Release Agreement.

12. Plaintiffs Downs and Magallanes Simon alleged that other aggrieved employees on whose behalf the PAGA cause of action has been brought were employed as exempt loan officers who regularly worked more than 8 hours per day/40 hours per week were exempt from overtime compensation. Plaintiffs alleged that Defendant's exempt loan officers did not meet the requirements for overtime exemption because they failed to meet any of the exemptions applicable to California workers. Defendant appeared to be relying on the outside sales exemption, which requires that employees regularly work more than one-half of their working time away from the employer's place of business selling items or obtaining orders for products or services. Plaintiffs alleged that the fact that Plaintiffs, who worked from home rather than at a branch location, did not qualify as working outside the employer's business because California recognizes the employee's home as the employer's place of business for employees who work from home. Plaintiffs alleged that Plaintiffs and the aggrieved employees spent the majority of their time working "inside" their homes (i.e., inside their recognized place of business) as opposed to outside and thus the outside sales exemption does not apply

13. This non-reversionary settlement warrants approval by the Court. The settlement amount of $445,000.00 is outstanding, especially in this case where the issue turns on 1) whether the employees worked overtime in each and every pay period and 2) whether they spent more than 50% of their time working outside their homes engaged in sales such that the named Plaintiffs would face challenges in proving their case to be awarded full penalties in the requisite bench trial.

14. The settlement and this motion are concurrently being submitted to the LWDA in accordance with California Labor Code section 2699(1)(2). Marked and attached hereto as

[1] This is only a settlement of the PAGA claims for civil penalties. It is not a class settlement and does not release the individual claims, if any, of the affected employees. (Cal. Labor Code §2699(g)(1); *Iskanian v. CLS Transportation*, (2014) 59 Cal. 4th 348, 381.)

Exhibit 2 is a true and correct copy of the confirmation of the electronic submission to the LWDA. We expect the LWDA will have no objection to the settlement and/or attorney fee and cost request in light of the factual and legal record supporting the request.

15. This case alleged PAGA claims based on alleged Labor Code violations and was filed on behalf of allegedly misclassifed loan officers (hereinafter referred to as "PAGA Settlement Aggrieved Employees") dating back to September 14, 2020. Plaintiffs have represented themselves individually and faithfully served as the representative for the State of California to collect civil penalties from for the alleged California Labor Code violations.

16. After payment of administration, requested fees and costs, and service awards, the proposed settlement provides a Net Settlement Amount of $269,300.00 with approximately $201,975.00 allocated to the LWDA and $67,325.00 to the PAGA Settlement Aggrieved Employees. There are approximately 450 PAGA Settlement Aggrieved Employees identified by Defendant's counsel. Based on this Settlement, the PAGA Settlement Aggrieved Employees will receive an average payment of $149.61 to be mailed to each of the, PAGA Settlement Aggrieved Employees. A true and correct copy of the Notice to the aggrieved employees that will accompany their checks is marked and attached hereto as Ex. 3.

17. The parties engaged in hard-fought litigation and intended to take their claims and defenses to trial, which included:

- Propounding Special Interrogatories and Request for Production;
- Meeting and conferring on written discovery;
- The production of thousands of documents;
- The production of over payroll data and;
- Interviews of PAGA Settlement Aggrieved Employees; and

Before the *Viking v. Moriana* decision, the named Plaintiffs performed extensive work in this case attempting to prepare a trial plan that would meet the Court's standards for a representative PAGA trial as to both liability and penalties. Given the challenges in proving a representative action, the named Plaintiffs concluded that a settlement of the action was in the best interest of all.

18. In terms of an award of penalties under California Labor Code Section 2699(e)(1) & (2), Defendant was prepared to argue—and the Court could very well agree— that a lesser penalty was more appropriate than the statutory maximum penalty. These facts and the continuing risk and expense of litigation, appeals, and a delayed trial led the parties to pursue mediation mediator Lisa Klerman.

19. During litigation and also in preparation for the mediations and settlement discussions, Defendant provided the named Plaintiffs with information and data necessary for penalty calculations. The production of this information was essential to assess the value of the claims. In order to establish a violation, the named Plaintiffs and the aggrieved employees needed to show that the employees needed:

- to work overtime in the pay period;
- have spent more than 50% of their time outside their home engaged in sales activity; and
- what the realistic requirements of the job entailed.

This was a challenging task (Glugoski Decl. ¶ 19; Kim Decl., 7.)

Using the pay period information, the named Plaintiffs were able to calculate Defendant's total penalty exposure for the one-year statutory PAGA period.

THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES

20. **Summary of Settlement Terms**

The proposed Settlement Agreement (Glugoski Decl., Exhibit 1) involves the formation of a non-reversionary fund consisting of $445,000.00 ("Gross Settlement Fund"). The Gross Settlement Fund will be used to make payments to the LWDA and PAGA Settlement Aggrieved Employees after payment of attorney fees, costs of administration, Plaintiff's incentive award, and litigation costs. A Plaintiff incentive award is requested in the amount of $5,000 and settlement administration costs to ILYM Group Inc. shall not exceed $4,500.00. The Net Settlement Fund will be distributed as follows: Seventy-five percent (75%), i.e., $201,975.00 will be distributed to the California Labor & Workforce Development Agency ("LWDA") as required by the PAGA and the remaining twenty-five percent (25%), i.e., approximately

$67,325.00 will be distributed to all PAGA Settlement Aggrieved Employees on a pro-rata share basis based on the number of pay periods worked by each Settlement Aggrieved Employee.

21. **The Notice**

Defendant agreed to fund the Settlement Amount within 90 days of the Court's Order approving the Settlement. (See Ex. 1, Settlement Agreement ¶¶ 3 and 11.) The PAGA Settlement Aggrieved Employees will have 180 days to negotiate their checks. If for any reason a check is un-cashed, the funds will be tenured to the California Controller's Unclaimed Property Fund (see Cal. Lab. Code section 96.6). The Administrator will prepare and issue IRS Form 1099s to PAGA Settlement Members who received payments and cashed checks, if so required under Federal or California law. (See Ex. 1, Settlement Agreement ¶ 12.) A Notice informing the PAGA Settlement Aggrieved Employees of the nature of the payment will be provided with the settlement check, marked and attached hereto as Exhibit 3.

22. **Settlement Allocation to the PAGA Settlement Aggrieved Employees**

Twenty-five percent (25%) of the PAGA penalties will be allocated to the PAGA Settlement Aggrieved Employees. Based on the numbers Defendant provided, approximately 450 employees will share in this fund in proportion of the pay periods each member worked. The portion to each of the PAGA Settlement Aggrieved Employees will be treated as non-wages since these are civil penalties and reported by the Settlement Administrator by law PAGA Settlement Aggrieved Employees will receive, on average, $149.61.

23. **The Release**

The California Supreme Court has explained that a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004…is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding." (*Arias*, 46 Cal. 4th at 985–986.)

The release in the Settlement Agreement narrowly binds the PAGA Settlement Aggrieved Employees for civil penalty claims brought in the Action (Ex. 1, Settlement Agreement ¶ 13), as follows:

> The LWDA and Plaintiff shall fully release and forever discharge any and all

claims arising during the Settlement Period seeking civil penalties under PAGA that that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

Ex. 1 attached hereto (Settlement Agreement ¶ 13.)

24. **Evaluation of the PAGA Settlement**

In this case, Plaintiff's entire theory centers around Defendant's policy and practice of classifying employees working from home as exempt from overtime. Defendant maintains data for all 450 PAGA Settlement Aggrieved Employees. The data produced by Defendant confirms 22, 287 pay periods. Therefore, based on this analysis, Plaintiffs believe the maximum total PAGA penalty exposure to be in the range of $2,228,700; if you assume every pay period had a violation (i.e, the employee worked overtime and spent the majority of their time at home as opposed to outside of their place of business) and the Court awarded the full penalty. However, given the end of the year holidays, holiday shorten workweeks, vacations, leaves of absence, weeks where the employees worked no overtime, and discounting for the fact that there may be weeks when employees either did not work overtime and/or the employees spent more than 50% of their time outside of their home office, the realistic maximum recovery is in the $750,000.00 range.

25. This result is positive and favorable to the State, which will receive $201,975.00. The PAGA Settlement Aggrieved Employees will receive $67,325.00, which amounts on average to $149.61 per aggrieved employee.

26. Under the PAGA, the realistic range for PAGA penalties range between $10-$15 per pay period. This is because Courts have considerable discretion to reduce the penalty award below the maximum. In *Fleming v. Covidien* (C.D. Cal. 2011) 2011 U.S. Dist. LEXIS 154590, a federal court reduced PAGA penalties from $2,800,000.00 to $500,000.00, a reduction of 82.2%, because the court found maximum penalties "unjust." Some trial courts have awarded no civil penalties, even when Labor Code violations were established. Examples of such reductions include but are not limited to the following:

- *Makabi v. Gedalia* (2nd Dist. Ct. of App. Mar. 6, 2016) 2016 Cal.App.Unpub. 1489, *5–7 (no PAGA penalties were awarded by the Los Angeles County Superior Court) (unpublished decision).
- *In re Taco Bell Wage & Hour Actions*, 2016 U.S. Dist. LEXIS 48557, *40-43 (E.D. Cal. Apr. 6, 2016) (PAGA penalties denied after trial).
- *Franco v. Ruiz Food Products, Inc.*, 2012 WL 5941801 (E.D. Cal. 2012), where the court approved a total PAGA penalty amount of $10,000, for as many as 2,055 current and former employees.
- *Schiller v. David's Bridal, Inc.*, 2012 WL 217001 (E.D. Cal. 2012), the court approved a PAGA penalty amount of $10,000 for 3,326 individuals.
- *Enombang v.Target*, Case No. RG17853948, on July 24, 2018 for a total amount of $9,000,000. The dispute involved 90,462 allegedly aggrieved employees and 1,939,006 pay periods in Alameda Superior Court. [$4.66 per pay period].
- *Pickett v. 99 Cents Only Stores*, Case No. BC473038, on August 1, 2017, for a total amount of $1,290,000. The dispute involved approximately 10,000 allegedly aggrieved employees and approximately 1,592,592.6 pay periods in Los Angeles Superior Court. [$.81 per pay period.]
- *Carrington v. Starbucks Corp.*, (2018) 30 Cal.App.5th 504, the Court of Appeal affirmed a judgment after trial which provided for a PAGA penalty of $5 per pay period. In *Doe v. Google, et al.*, Case No. CGC-16-556034, the court approved $15 per aggrieved employee.

HOURLY RATE

27. I believe the fees being sought here are reasonable in light of the experience of counsel, the contingent nature of the fee, the particular risks involved in litigating this case, the amount and the quality of work performed.

28. I have become familiar with the market rates charged by attorneys in California. I have obtained this familiarity in several ways, including: (1) Researching fee rates; (2) Handling attorneys' fee litigation; (3) Discussing fees with other attorneys; (4) Reviewing declarations regarding prevailing market rates in cases seeking fees; (5) Reviewing attorneys' fee

applications and court awards in other cases, as well as (6) Reviewing surveys and articles in legal newspapers and treatises on attorney's fees.

29. In my experience, fee awards are almost always determined based on current rates, such as the attorney's rate at the time a motion for fees is made rather than the historical rate at the time the work was performed.

30. Litigating a case against a corporate defendant, represented by the two defense firms defending this case, is not appealing to most lawyers. Heightening the risk is the fact that the plaintiffs' lawyers are called upon to finance the litigation. It is not a cause undertaken lightly.

31. One difficulty in determining the hourly rate of attorneys of similar skill and experience in the relevant community is the scarcity of hourly fee-paying clients in wage and hour litigation. As a practical matter, few individual employees can afford to pay attorney fees on an hourly basis. This was certainly the case with Plaintiff. As a result, retainer agreements we negotiate with individual clients, as in the case here, are typically based upon a contingency fee relationship. In contrast, corporate defendants typically pay their attorneys on an hourly basis.

32. I am knowledgeable about the hourly rates charged by attorneys of varying degrees of experience. In the course of my fees practice, I have reviewed the hourly rates of dozens of law firms in California and elsewhere. I am also familiar with the hourly rates awarded in many other fees cases by state and federal courts in California and throughout the country. In addition, I have reviewed many published surveys of attorneys' billing rates. For example, *four years ago* the rates charged by attorneys at Sidley Austin (a large defense firm similar to Sheppard Mullin) for class/representative action litigation was between $925-$1000 for partners and $905-$540 for associates.

33. The work in this case was taken on a contingency fee basis where we advanced all time and costs. The subject matter involved California wage and hour laws. This is a difficult area of law based on overlapping state and federal statutes and agency interpretations. Work of this type requires specialized learning, experience, and the willingness to take large risks. We

attempted to efficiently litigate the claims in this matter using a high level of skill in the difficult questions that arose in this case.

34. A practice like ours can only properly litigate so many cases at one time. There is no question that we were required to assign out and/or turn down work in other cases in order to meet the demands of this case.

35. We did not receive any compensation for our services during the prosecution of this matter. In addition, Righetti Glugoski, P.C. incurred $5,571.21 in out-of-pocket expenses (as detailed below) to achieve the settlement.

36. My current hourly rate is $900 and my law partner Matthew Righetti's rate is $1,200. Mr. Righetti has been practicing in this area for over thirty-seven (37) years. Our rates are on par with the *2018* rates of $925-$1000 charged by attorneys with similar experience and qualifications who represent commercial and other full-rate clients on an hourly basis. See, e.g., the 2018 Sidley Austin rate sheet referenced above.

38. The hourly rates charged by Righetti Glugoski, P.C. are supported by our specialized experience. I believe the rates set forth in the fee application are fully consistent with the market rate for attorneys with comparable expertise, experience and qualifications.

39. I am aware of hourly rates (or their historical equivalents) for other plaintiff counsel approved by courts, including in *Carrillo v. Schneider Logistics Transloading & Distribution, Inc., et al.*, No. CV 11-8557 CAS (DTBx) (C.D. Cal.) (September 24, 2015 order approving 2015 rates of $895/hr for partners, $775/hr for a 1994 law graduate, $650/hr for a 2000 law graduate, $630/hr for a 2001 law graduate, $550/hr for a 2004 law graduate, and $450/hr for a 2008 law graduate, and 2015 rates for Law Clerks ($275/hr) and Paralegals ($250/hr)); *Brooks v. U.S. Bank, N.A.*, Case No. C12-4935-EMC (N.D. Cal) (June 16, 2014 order approving 2014 rate of $895/hr for partner, and 2014 rates of $775/hr for a 1992 law graduate, $610/hr for a 2001 law graduate, $540/hr for a 2004 law graduate, $275/hr for law clerks, and $250/hr for paralegals); *Luquetta v. Regents of the University of California*, Case No. CGC-05-443007 (San Francisco County Superior Court) (October 31, 2012 Order approving 2012 rate of $850/hr for partner, and 2012 rates of $700/hr for a 1994 law graduate,

$570/hr for a 2000 law school graduate, $250/hr for law clerks, and $215/hr for paralegals); *Vasquez v. State of California*, Case No. GIC 740832 (San Diego County Superior Court) (October 1, 2012 Order approving 2012 rate of $850/hr for partner in civil rights case and 2012 rate of $375/hr for 2008 law school graduate); *Div 15 Tech v. Sheet Metal Workers' International Association, Local 104,* Case Nos. No. C 10-05309 JSW, C 10-05312 JSW (approving 2011 rates, including $545/hr for 2000 law school graduate and $215/hr for paralegals); *Air Line Pilots Ass'n Int'l v. United Airlines, Inc.*, CGC-07-468937 (JAMS Ref. No. 1100061566) (San Francisco County Super. Ct.) (2011 rates of $825/hr (partner)); *Zalua v. Tempo Research Corp.*, BC319156 (Los Angeles County Super. Ct.) (2011 rates of $825/hr (partner).

40. In the course of my practice, I have reviewed the hourly rates of dozens of law firms in California and elsewhere. The rates in this fee application are consistent with the market rates for comparably qualified and experienced counsel handling similar civil litigation.

LITIGATION EFFORTS

41. In the instant case, Defendant strongly denied liability and contended that it had meritorious affirmative defenses on both procedural and substantive grounds.

42. The prosecution of this action case involved a significant financial risk because Counsel took this case on a pure contingency basis (meaning no guarantee of ever being paid, if the case is lost), at the same time advancing all litigation costs out of their own pockets, while incurring ongoing costs of paying overhead and salaries of employees who are working on this case.

43. In preparing this fee application, I reviewed the firm's time records, files, and emails. Based on my review of these records, I can attest that all of the time set forth was reasonably devoted to pursuing the Plaintiff's interests and otherwise would have been billed to a fee-paying client. To calculate the lodestar for the time spent on this case, I personally reviewed and summarized the billing records incurred in prosecuting the matter. I eliminated time entries that could be considered duplicative or inefficient. As of the filing of this motion, attorney Matthew Righetti of Righetti Glugoski, P.C. has spent 53.6. hours in the prosecution

of this lawsuit. Attorney Righetti's lodestar as of the filing of this motion is $64,320. As of the filing of this motion, attorney John Glugoski of Righetti Glugoski, P.C., has spent 266.7 hours in the prosecution of this lawsuit. Attorney Glugoski's lodestar at the time of the filing of this motion is $240,030. The lodestar for Righetti Glugoski paralegal is $16,075.00 (64.3 hours x $250). I have submitted time summaries setting forth in detail the categories of work performed and the amount of time spent on each of the various categories to support the number of hours expended. The categories are:

(1) Investigations, Factual Research

(2) Discovery

(3) Pleadings, Briefs and Pretrial Motions (includes legal research)

(4) Court Appearances

(5) Mediation Settlement and Administration

(6) Litigation Strategy, Analysis and Case Management

(7) Trial Preparation and Trial

Marked and attached hereto as Exhibit 4 is a true and correct copy of the non-duplicative time I spent on the categories listed above.

I have also reviewed the time submitted bv co-counsel Tae Kim and the time spent by Ms. Kim is not duplicative of the time spent by our firm. Ms. Kim time records are reasonable and aided in bringing this case to a final resolution.

44. The amount of time spent on this case is reasonable given the complexity and novelty of the issues involved, the vigorous defense provided by Ogletree Deakins, the length and intensity of the litigation, and the results obtained. Since its inception, Plaintiff faced a phalanx of defenses as outlined in Defendant's Answer. Counsel litigated this action with skill and efficiency reflecting the amount of work required to achieve the settlement. Once the settlement was consummated our work has not stopped. We expect to work closely with the court appointed notice administrator to assure that notice is provided consistent with this Court's orders and due process. We intend to promptly respond to all inquiries and we intend to continue our work until all responsibilities are discharged and all funds are dispersed. The complexity,

risk, and demands of this case -- required the expenditure of 442.2 attorney hours. Consistent with the scope of this action, the nature of the relief obtained on behalf of the LWDA and Aggrieved Employees, and the amount of time expended in prosecution of the case, Plaintiff and Counsel hereby move for an award of attorney's fees of $155,750 ($138,617.50 to Righetti Glugoski and $17,132.5 to Collins Kim) and costs of $5000.00. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis, especially in light of the benefits achieved. Counsel diligently litigated and investigated this case without duplication of efforts.

45. Furthermore, California Courts recognize that Plaintiff's fee request is in line with market rates and have approved similar 40% attorney fee requests in representative actions:

- In *Enombang v. Target*, Alameda County Superior Court Case No. RG17853948, the court approved a settlement of $9,000,000 for 1,939,006 pay periods, which equates to $4.66 per pay period and Plaintiff's counsel were awarded 40% of the $9,000,000 settlement in attorney's fees;
- In *Varela et. al., v. Dolgen California, LLC*, Riverside County Superior Court Case No. RIC1306158, the court approved a fee award of $3,980,000.00 which equated to 40% of the Settlement Fund based on a lodestar of $2,783,570.00 times a multiplier of 1.43.

COUNSEL'S COSTS

46. Righetti Glugoski, P.C. incurred $4,148.88. Marked and attached hereto as Exhibit 5 is a breakdown of the costs incurred by the Righetti Glugoski, P.C. firm in this case.

THE REPRESENTATIVE AWARD

47. Plaintiffs submit that it is appropriate that each receive an enhancement of $5,000.00 for the significant effort and risks they undertook in prosecuting this case. Because the purpose of the PAGA is to create incentives for private litigants to bring actions enforcing the California Labor Code, rewarding prevailing litigants with a substantial recovery promotes PAGA's purpose. Marked and attached hereto as Exhibit 6 is the Declaration of named Plaintiff Julia Downs attesting to her efforts and time spent in prosecuting this matter.

SETTLEMENT ADMINSTRATOR

48. ILYM Group, Inc., an experienced third-party claims administrator, will handle all aspects of the notice process and settlement administration. A true and correct of CV for ILYM is attached hereto as Exhibit 7.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 14th day of July, 2025 at San Francisco, CA.

John Glugoski
Attorneys for Plaintiffs

EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Julia Downs and Plaintiff Jose Magallanes (collectively referred to as "Plaintiffs"), on the one hand, and Defendant Guaranteed Rate, Inc. ("Defendant"), on the other. The Agreement refers to Plaintiffs and Defendant collectively as the "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" collectively means the PAGA lawsuit alleging wage and hour violations against Defendant, captioned *Julia Downs v. Guaranteed Rate, Inc.* initiated on December 2, 2021, and pending in the Superior Court of the State of California, County of Alameda, Case No. 21CV003476 (individually referred to herein as the "Downs Action"); and the PAGA lawsuit alleging wage and hour violations against Defendant, captioned *Jose Magallanes v. Guaranteed Rate, Inc.* initiated on December 8, 2021, and pending in the Superior Court of the State of California, County of San Diego, Case No. 37-2021-00051525-CU-OE-CTL (individually referred to herein as the "Magallanes Action");

1.2. "Administrator" means ILYM Group, Inc., 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 approval of this Settlement.

1.4. "Aggrieved Employee" means a person employed by Defendant and classified as an exempt employee under the outside sales exemption in California during the PAGA Period.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee 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 Aggrieved Employees.

1.7. "Amended Complaint" or "Operative Complaint" means the Amended Complaint, to be filed in either the Downs Action or the Magallanes Action, substantially the same form attached hereto as Exhibit A. The parties have stipulated to the filing of this Amended Complaint, which was filed with a Stipulation and Proposed Order.

1.8. "Court" means the Superior Court of California, County of Alameda.

1.9. "Claims" means all claims for PAGA civil penalties that were alleged or reasonably could have been alleged based on the facts set forth in Plaintiffs' Operative Complaint in the Action and Plaintiffs' PAGA Notice.

1.10. "Defense Counsel" means:

Spencer C. Skeen
Tim L. Johnson

Andrew J. Deddeh
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
4660 La Jolla Village Drive, Suite 900
San Diego, California 92122

1.11. "Effective Date" means the date the Court enters a Final Approval Order and judgment approving and incorporating by reference the terms and conditions of this Agreement.

1.12. "Gross Settlement Amount" means $445,000.00, which is the total amount Defendant agrees to pay under the Settlement except as provided herein. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.13. "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 the Aggrieved Employee worked during the PAGA Period.

1.14. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.15. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.16. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.17. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, Service Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder (if any) is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.18. "PAGA Counsel" means Tae Kim and Dawn Collins of CollinsKim LLP, the attorneys representing Plaintiff Magallanes; and Matthew Righetti and John Glugoski of Righetti Glugoski, P.C., the attorneys representing Plaintiff Downs.

1.19. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.20. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.21. "PAGA Period" means the period from September 14, 2020, to the date of the Approval Order.

1.22. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.23. "PAGA Notice" collectively means Plaintiff Downs' September 14, 2021, letter to Defendant and the LWDA; and Plaintiff Magallanes' September 15, 2021, letter to Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.24. "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 the LWDA in settlement of PAGA claims.

1.25. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.26. "Released PAGA Claims" means the claims being released by the Plaintiffs as described herein as proxies for and on behalf of the State of California.

1.27. "Released Parties" means: Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, and parents.

1.28. "Service Award" means the individual service award in the amount of $5,000 to Plaintiff Magallanes and $5,000 to Plaintiff Downs, or any lesser amount as awarded by the Court, for their time and effort in bringing and presenting the Action. The Service Award shall be paid from the Gross Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs for the Service Awards. The Service Award shall be in addition to Plaintiffs' Individual PAGA Payments. Any amount requested by Plaintiffs and not awarded by the Court shall become part of the Net Settlement Amount and shall be distributed to Aggrieved Employees as part of their Individual PAGA Payments.

1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. **RECITALS**.

2.1. On September 14, 2021, Plaintiff Downs submitted a PAGA letter to the LWDA for the purpose of complying with Labor Code section 2698, *et seq.*'s requirement of giving notice of intent to pursue PAGA claims against Defendant.

2.2. On September 15, 2021, Plaintiff Magallanes submitted a PAGA letter to the LWDA for the purpose of complying with Labor Code section 2698, *et seq.*'s requirement of giving notice of intent to pursue PAGA claims against Defendant.

2.3. On December 2, 2021, Plaintiff Downs filed a Complaint in the Downs Action alleging a cause of action against Defendant for violation of the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et. seq*.).

2.4. On December 8, 2021, Plaintiff Magallanes filed a Complaint in the Magallanes Action alleging a cause of action against Defendant for violation of the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et. seq*.).

2.5. On September 18, 2024, the Parties participated in an all-day mediation presided over by mediator Lisa Klerman, that included the actions entitled: (1) *Julia Downs v. Guaranteed Rate, Inc.*, Superior Court of California, County of Alameda, Case No. 21CV003476, (the "Downs Action") (2) *Downs, Julia v. Guaranteed Rate, Inc.*, JAMS Ref. No. 5100001443, (3) *Jose Magallanes v. Guaranteed Rate, Inc.*, Superior Court of California, County of San Diego, Case No. 37-2021-00051525-CU-OE-CTL, and (4) *Guaranteed Rate, Inc. vs. Magallanes, Jose,* JAMS Ref. No. 5240000030. Although the matter did not settle at the formal mediation, the parties continued settlement communications through the mediator, which ultimately resulted in a settlement of the Downs Action and Magallanes Action.

2.6. The Parties' Settlement contemplates the following: (1) entry of order approving this Settlement and granting the relief set forth herein, including the filing of the Amended Complaint, to be filed in either the Downs Action or the Magallanes Action; and (2) dismissal of the remaining action without prejudice. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.7. Prior to mediation, Plaintiffs obtained, through informal and formal discovery, policy documents, number of Aggrieved Employees, PAGA Pay Periods, and Plaintiffs personnel files.

2.8. The Parties, PAGA Counsel and Defense Counsel represent that there are other pending actions asserting claims that will be extinguished or affected by the Settlement. Specifically, there are two other pending PAGA cases: 1) *John P. Shulak v. Guaranteed Rate, Inc.*, Case No. 23STCV04720, filed in Los Angeles County Superior Court on March 3, 2023; and 2) *Calvin Mazlumyan v. Guaranteed Rate, Inc.*, Case No. 23SMCV02051, filed in Los Angeles County Superior Court on May 10, 2023.

3. MONETARY TERMS.

3.1. <u>Gross Settlement Amount</u>. Defendant promises to pay $445,000.00 and no more as the Gross Settlement Amount. Defendant agrees to pay the Gross Settlement Amount to settle, resolve, and fully discharge the Claims. The Gross Settlement Amount is all-inclusive, meaning it shall cover, resolve, and fully satisfy any and all amounts owed to Plaintiffs and the Aggrieved Employees for the release of the Claims, the State of California for the release of the Claims, the Settlement Administrator, and Plaintiffs' Counsel, including all amounts allocated to attorneys' fees and costs. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. The Parties agree there are no circumstances that would require Defendant to pay any amount greater than the Gross Settlement Amount in connection with this Agreement. In the event this Agreement is canceled, rescinded, terminated, voided or nullified, however that may occur as permitted herein, or the settlement is barred by operation of law, invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendant shall have no obligation to pay any of the Gross Settlement Amount and the Parties' respective positions shall be restored to their respective positions prior to mediation. Further, in that event, nothing in this Agreement, the negotiations leading to this settlement, nor any papers prepared in connection with this Agreement shall be admissible in any proceeding for any purpose whatsoever.

3.3. <u>Payments from the Gross Settlement Amount</u>. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court:

3.3.1. <u>To PAGA Counsel</u>: A PAGA Counsel Fees Payment of not more than thirty-five (35%) percent of the Gross Settlement Amount which is currently estimated to be $155,750 and PAGA Counsel Litigation Expenses Payment of not more than $5,000. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The PAGA Counsel Fees Payment shall be split between PAGA Counsel as follows: 11% to CollinsKim LLP; and 89% to Righetti Glugoski, P.C. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.3.2. To the Administrator: An Administrator Expenses Payment not to exceed $4,950 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 $4,950, the Administrator will retain the remainder in the Net Settlement Amount.

3.3.3. The Service Awards to Plaintiffs Magallanes and Downs.

3.3.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the estimated amount of $269,300 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments. The Administrator shall transmit the "Notice of PAGA Settlement" (in substantially the same form as Exhibit "B" attached hereto), together with settlement checks containing their individual settlement amounts, with no claims process required, to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each recipient with directions to the Postmaster to forward the Notice of PAGA Settlement and return those that are undeliverable.

3.3.5. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties 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.

3.3.6. 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. Aggrieved Employee Pay Periods. At time of mediation with Ms. Klerman, Defendant estimated that the Aggrieved Employees worked a total of 22,287 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 30 days of court approval of the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee 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 Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant 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 Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, Service Awards, the LWDA PAGA Payment, the Administration Expenses Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees 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. 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 an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without a 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 Aggrieved Employee Address Search. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, if it is requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

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

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Aggrieved Employees and the LWDA will release claims against all Released Parties as follows: All claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice. There is no ability for Aggrieved Employees to object to or opt-out of the Settlement, and all Aggrieved Employees and the LWDA will be bound by the terms of the Settlement, upon court approval of the Settlement.

5.1. Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for attorney fees and costs incurred in connection with the Action.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** Plaintiffs will prepare and file a motion for approval of this Settlement.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) 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 Aggrieved Employee 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 Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel's firm attesting to 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 (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Order granting Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6.4 Settlement Approval and Jurisdiction. The Parties agree that approval of this Agreement will be requested in the Downs Action currently pending in the County of Alameda. Accordingly, the Parties agree that the Court in the Downs Action shall retain jurisdiction over the Parties to enforce the settlement until performance in full of the terms of the settlement. The Parties agree that following execution of this Agreement, they will stipulate to amend the Operative Complaint in the Downs Action to add Magallanes and any claims at issue in the Magallanes Action not already pled in the Downs Action. The Parties agree that they will stay the Magallanes Action until approval of the settlement at which time those claims will be dismissed. The Parties agree to work in good faith to amend the Operative Complaint in the Downs Action and dismiss the Magallanes Action as outlined in this paragraph.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all Administration 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 to 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 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.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE

Based on its records, Defendant estimates that the Aggrieved Employees worked 22,287 PAGA Pay Periods during the PAGA Period. If the number of PAGA Pay Periods exceeds 22,287 by more than 10%, the Gross Settlement Amount will increase pro rata per additional PAGA Pay Period (i.e., if the PAGA Pay Periods increased by 12%, the Gross Settlement Amount would increase by 2%). In the alternative, Defendant may elect to shorten the PAGA Period to end on the date the number of PAGA Pay Periods exceeds 22,287 in order to stay within the 10% cushion.

9. 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.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, and their respective counsel 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 another party 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, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability 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 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. Defendant specifically disclaims any liability to Plaintiffs or any other allegedly aggrieved employee for any alleged violation of their rights, or for any alleged violation of any order, law, statute, duty or contract. Defendant further denies that, for any purpose other than settling these matters, that this action is appropriate for representative treatment. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendant's defenses.

10.2 The Settlement, this Agreement, and the 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). Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or other events associated with it, shall be construed as an admission or concession by Defendant or any Released Parties or establishment of any such violation(s) or failure(s) to comply with any applicable law. Defendant specifically retains the right to defend, on the merits, against any non-settled claims brought by any Aggrieved Employees.

10.3 Nullification. In the event (i) the Court does not approve this Agreement, or (ii) the Court's order and judgment approving and incorporating this Agreement does not become final, the Parties will expeditiously work together in good faith to modify the Agreement and otherwise satisfy the Court's concerns. If, after exhausting all good faith efforts to resolve the Court's concerns, the Parties are unable to, then this Agreement, and any documents generated to bring it into effect, will be null and void in their entirety and the Parties will return to their original respective positions, unless otherwise agreed upon in writing between the Parties.

10.4 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.

10.5 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, 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.

10.6 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.

10.7 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.

10.8 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Defendant 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.

10.9 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.

10.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.11 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.

10.12 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.

10.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement, relating to the confidentiality of information shall survive the execution of this Agreement.

10.14 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

10.15 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.

10.16 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.

10.17 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 Plaintiffs:

RIGHETTI GLUGOSKI, P.C.
Matthew Righetti
John Glugoski
2001 Union St. Street, Suite 400
San Francisco, CA 94123
Telephone: (415) 983-0900
Email: matt@righettilaw.com; jglugoski@righettilaw.com

COLLINSKIM LLP
Tae Kim
Dawn Collins
8383 Wilshire Blvd., Suite 800
Beverly Hills, CA 90211
Telephone: (213) 341-0238
Email: tkim@collinskim.com; dcollins@collinskim.com

To Defendant:

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
Spencer C. Skeen
Tim L. Johnson
Andrew J. Deddeh
4660 La Jolla Village Drive, Suite 900
San Diego, California 92122
Telephone: (858) 652-3100
Email: tim.johnson@ogletree.com

10.18 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.

10.19 Dispute(s). Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, but excluding any dispute related to non-payment or late payment of the Gross Settlement Amount, the Parties agree to submit any such dispute(s) first to mediation and/or continued negotiations before mediator Lisa Klerman, and then, if unsuccessful, to the Alameda County Superior Court. To the extent any Party seeks to enforce any of the terms of this Agreement in Court or before the Court, the prevailing party shall be entitled to recover his/her/its/their reasonable attorneys' fees and costs.

10.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the Action 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 the Action to trial under CCP section 583.310 for the entire period of this settlement process.

[SIGNATURE PAGE TO FOLLOW]

PLAINTIFF JOSE MAGALLANES

Dated: 04 / 10 / 2025 By: ______________________

Jose Magallanes

PLAINTIFF JULIA DOWNS

Dated: ______________ By: ______________________

Julia Downs

GUARANTEED RATE, INC.

Dated: 04-09-2025 By: DocuSigned by: Nikolaos Athanasiou A0BB8EDECEF24F7...

Print: Nikolaos Athanasiou

Title Chief Operating Officer

As to Form Only:

RIGHETTI GLUGOSKI, P.C.

Dated: ______________ By: ______________________

Matthew Righetti
John Glugoski
Attorneys for Plaintiff Julia Downs

COLLINSKIM LLP

Dated: April 11, 2025 By: ______________________

Tae Kim
Dawn Collins
Attorneys for Plaintiff Joe Magallanes

PLAINTIFF JOSE MAGALLANES

Dated: ______________ By: ______________________________
Jose Magallanes

PLAINTIFF JULIA DOWNS

Dated: 4/11/2025 By: DocuSigned by: Julia Downs EC6C8C0BA1AD4D3...
Julia Downs

GUARANTEED RATE, INC.

Dated: 04-09-2025 By: DocuSigned by: Nikolaos Athanasiou A0BB8EDECEF24F7...
Print: Nikolaos Athanasiou
Title Chief Operating Officer

As to Form Only:

RIGHETTI GLUGOSKI, P.C.

Dated: April 10, 2025 By: ______________________________
Matthew Righetti
John Glugoski
Attorneys for Plaintiff Julia Downs

COLLINSKIM LLP

Dated: ______________ By: ______________________________
Tae Kim
Dawn Collins
Attorneys for Plaintiff Joe Magallanes

OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.

Dated: April 10, 2025

By: ______________________

Spencer C. Skeen
Tim L. Johnson
Andrew J. Deddeh
Brett R. Tengberg
Attorneys for Defendant Guaranteed Rate, Inc.

Exhibit A

MATTHEW RIGHETTI, ESQ. {121012}
JOHN GLUGOSKI, ESQ. {191551}
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220 Halleck Street, Suite 220
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Attorneys for ~~Plaintiff~~Plaintiff, Julia Downs

Tae Kim (SBN 210465)
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Beverly Hills, CA 90211
Telephone: (213) 341-0238
Facsimile: (213) 341-0239

Attorneys for Plaintiff, JOSE MAGALLANES

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

JULIA DOWNS and OSE MAGALLANES, individually, and on behalf of all others similarly situated, ~~Plaintiff~~Plaintiffs, vs. GUARANTEED RATE, INC. and DOES 1 through 50, inclusive	Case No.: **FIRST AMENDED COMPLAINT FOR PENALTIES FOR VIOLATION OF LABOR CODE § 2698 *et seq.* (PRIVATE ATTORNEYS GENERAL ACT OF 2004)**

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Defendants.

~~Plaintiff~~Plaintiffs JULIA DOWNS ("Downs") and Jose Magallanes ("Magallanes") (collectively, "~~Plaintiff~~Plaintiffs") hereby submits their Complaint against Defendant Guaranteed Rate, Inc.~~s~~ and DOES 1 through 50, inclusive (collectively, "Defendants"), on behalf of ~~herself~~ themselves and other current and former aggrieved employees of Defendants for penalties as follows:

INTRODUCTION

1. This is not a class action. This is a representative action brought individually and on behalf of other current and former aggrieved employees pursuant to California Labor Code §2698 *et seq.* (the Private Attorneys General Act of 2004 ("PAGA") for Defendants' violations of the California Labor Code provisions set forth herein).

JURISDICTION AND VENUE

2. This action is brought pursuant to PAGA. The civil penalties sought by ~~Plaintiff~~Plaintiffs exceed the minimal jurisdiction limits of the Superior Court and will be established according to proof at trial. This Court also has jurisdiction over this action pursuant to California Constitution, Article VI, Section 10, which grants the Superior Court original jurisdiction in all causes except those given by statute to other courts. The statutes under which this action is brought do not specify any other basis for jurisdiction.

3. This Court has jurisdiction over the violations of PAGA and California Labor Code §§ 200, 201, 202, 203, 204, 226, 226.7, 432, 500-508, 510, 515, 558, 1174, 1194, 1197, 1198, 1198.5, 2802 and 2698, et seq.

4. This Court has jurisdiction over all Defendants because, upon information and belief, each party has sufficient minimum contacts in California, or otherwise intentionally avails itself of California law so as to render the exercise of jurisdiction over it by the California courts consistent with traditional notions of fair play and substantial justice.

5. Venue is proper in this Court because upon information and belief, the named Defendants transact business and/or have offices in this county and the acts and omissions alleged herein took place in this county. Therefore, PAGA claims may be litigated in this county.

PARTIES

6. ~~Plaintiff~~Plaintiffs JULIA DOWNS and JOSE MAGALLANES ~~is~~are ~~an~~ individuals over the age of eighteen (18) and is now and/or at all times mentioned in this Complaint a citizen of the State of California, and was in actuality a non-exempt employee employed by Defendants in California; however, ~~Plaintiff~~Plaintiffs and other current and former aggrieved non-exempt employees herein were misclassified by Defendant as exempt from the provisions of the California Labor Code alleged herein in violation of California Labor Code and the applicable California Industrial Welfare Commission wage order(s). ~~Plaintiff~~Plaintiffs ~~seeks~~seek to represent: All current and former aggrieved employees that were assigned to work out of their homes in California and then classified by Defendant as exempt under the outside sales exemption in California during the period from one year prior to September 14, 2021 to the date of judgment. ~~Plaintiff~~Plaintiffs alleges that she and the other aggrieved employees were in fact "non-exempt" employees that were entitled to all the protections afforded by California law to non-exempt employees.

7. Defendant~~s~~ is a California company and the owner and operator of an industry, business and/or facility licensed to do business and/or actually doing business in the State of California.

8. On information and belief, Defendant, GUARANTEED RATE, INC., is now, and/or at all times mentioned in this Complaint was liable for the allegations to ~~Plaintiff~~Plaintiffs and the California-based aggrieved employees as fully set forth in this Complaint.

9. ~~Plaintiff~~Plaintiffs do~~es~~ not know the true names or capacities, whether individual, partner or corporate, of Defendants sued herein as DOES 1 through 50, inclusive, and for that reason, said Defendants are sued under such fictitious names, and ~~Plaintiff~~Plaintiffs prays for leave to amend this complaint when the true names and capacities are known. ~~Plaintiff~~Plaintiffs ~~is~~are informed and believes and thereon alleges that each of Defendants designated as a DOE was responsible in some way for the matters alleged herein and proximately caused ~~Plaintiff~~Plaintiffs and other current and former aggrieved employees to be subject to the illegal employment practices, wrongs and injuries complained of herein.

10. At all times mentioned herein, Defendants, and each of them, were agents, partners, joint venturers, representatives, servants, employees, successors-in-interest, co-conspirators and assigns, each of the other, and at all times relevant hereto were acting within the course and scope of their authority as such agents, partners, joint venturers, representatives, servants, employees, successors, co-conspirators and assigns, and that all acts or omissions alleged herein were duly committed with ratification, knowledge, permission, encouragement, authorization and consent of each Defendant designated herein.

11. As such, and based upon all the facts and circumstances incident to Defendants' business in California, Defendants are subject to PAGA and California Labor Code §§ 200, 201, 202, 203, 204, 226, 226.7, 432, 500-508, 510, 515, 558, 1174, 1194, 1197, 1198, 1198.5, 2802 and 2698, et seq.

CAUSE OF ACTION

VIOLATION OF PAGA

(AGAINST ALL DEFENDANTS BY ~~PLAINTIFF~~PLAINTIFFS)

12. ~~Plaintiff~~Plaintiffs re-~~alleges~~allege and incorporates by reference paragraphs 1 through 14 as though fully set forth herein.

13. PAGA expressly establishes that any provision of the California Labor Code which provides for a civil penalty to be assessed and collected by the LWDA, or any of its departments, divisions, commissions, boards, agencies or employees for a violation of the California Labor Code, may be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself, and other current or former employees.

14. On September 14, 2021, ~~Plaintiff~~Plaintiff Downs provided an amended written notice to both the LWDA (PAGA No. LWDA-CM-833169-21) and Defendants identifying the specific provisions of the Labor Code she contends were violated, and the theories supporting her contentions. ~~Plaintiff~~Plaintiffs ~~believes~~believe that the sixty-five (65) day notice period expired and the LWDA did not take any action to investigate or prosecute this matter. Therefore, ~~Plaintiff~~Plaintiffs ha~~ves~~ exhausted the statutory time period to bring this action. On September 14, 2021, Plaintiff Magallanes also provided a written notice to both the LWDA (PAGA No. LWDA-CM-844574-21) and Defendant identifying the specific provisions of the Labor Code he contends were violated, and the theories supporting his contentions.

15. ~~Plaintiff~~Plaintiffs and the other misclassified employees are "aggrieved employees" as defined by California Labor Code § 2699(c) in that they are all current or former employees of Defendants, and one or more of the alleged violations was committed against them.

Failure to Pay Minimum and Overtime Wages

16. At all times relevant herein, Defendants were required to compensate their non-exempt employees' minimum wages for all hours worked and overtime wages for all hours worked in excess of eight (8) hours in a day or forty (40) hours in a workweek, pursuant to the mandate of Labor Code §§ 510, 1194, 1197, and 1198.

17. As a pattern and practice, Defendants failed to compensate ~~Plaintiff~~Plaintiffs and other aggrieved current and former employees for all hours worked, including for work performed off-the-clock, and improperly excluded bonuses and commissions from its calculation of ~~Plaintiff~~Plaintiffs~~'~~'~~s~~ and other aggrieved current and former employees' regular rate of pay for overtime compensation purposes, resulting in a failure to pay all minimum wages and overtime wages, where applicable.

Failure to Provide Meal Periods and Authorize and Permit Rest Breaks

18. In accordance with the mandates of Labor Code §§ 226.7 and 512, Defendants were required to authorize and permit their non-exempt employees to take a paid off duty 10-minute rest break for every four (4) hours worked or major fraction thereof, and were further required to provide their non-exempt employees with an off duty 30-minute meal period for every five (5) hours worked.

19. As a pattern and practice, Defendants failed to provide ~~Plaintiff~~Plaintiffs and other aggrieved current and former employees with legally-mandated meal periods and failed to authorize and permit legally-mandated rest breaks, and failed to compensate them premium wages. Further, Defendants failed to provide ~~Plaintiff~~Plaintiffs and other aggrieved current and former employees with the requisite number of meal periods and rest breaks when working shifts exceeding greater than 10 hours in length.

Failure to Timely Pay Wages During Employment

20. At all times relevant herein, Defendants were required to pay their employees within a specified time period pursuant to the mandate of Labor Code § 204.

21. As a pattern and practice, Defendants regularly failed to timely pay ~~Plaintiff~~Plaintiffs and other aggrieved current and former employees all wages due and owing them within the required time period.

Failure to Timely Pay Wages Upon Termination

22. At all times relevant herein, Defendants were required to pay their employees all wages owed in a timely fashion at the end of employment pursuant to California Labor Code §§ 201 to 204.

23. As a result of Defendants' Labor Code violations alleged above, Defendants failed to pay ~~Plaintiff~~Plaintiffs and the other aggrieved former employees their final wages pursuant to Labor Code §§ 201 to 204 and accordingly owe waiting time penalties pursuant to Labor Code § 203.

Failure to Provide Complete and Accurate Wage Statements

24. Defendants do not comply with the requirements of Labor Code Section 226(a) which requires that "every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing:

> (1) gross wages earned,
>
> (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission,
>
> (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis,
>
> (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item,
>
> (5) net wages earned,
>
> (6) the inclusive dates of the period for which the employee is paid,
>
> (7) the name of the employee (and the last four digits of his or her social security number or an employee identification number other than a social security number *may* be shown on the itemized statement),
>
> (8) the name and address of the legal entity that is the employer, and
>
> (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Defendants fail to provide accurate and complete information, as specified in items specific herein above as set forth in section 226(a).

25. California Labor Code Section 226(e) provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) shall be entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000), and shall be entitled to an award of costs and reasonable attorney's fees." ~~Plaintiff~~Plaintiffs and the other aggrieved employees suffered injuries as defined and set forth in California Labor Code Section 226(e) because, in addition to Defendants' failure to provide accurate and complete information, as specified as set forth herein above (as set forth in section 226(a)), ~~Plaintiff~~Plaintiffs and the other aggrieved employees could not "promptly and easily determine" from the wage statements alone the correct hourly rate in effect during the pay period (i.e., without reference to other documents or information), nor was the overtime rate or the hours worked provided in the statements accurate.

26. During the applicable time period, Defendants failed to provide ~~Plaintiff~~Plaintiffs and the other aggrieved employees with timely and accurate wage and hour statements showing gross wages earned, net wages earned, overtime pay, and all applicable hourly rates in effect during each pay period with the corresponding number of hours worked at each hourly rate by that individual.

27. As alleged herein, ~~Plaintiff~~Plaintiffs and the other aggrieved employees are/were not exempt from the requirements of California's labor laws and regulations. ~~Plaintiff~~Plaintiffs and the aggrieved employees were and will be injured by Defendants' failure to comply with the aforementioned requirements for time records and wage statements.

28. At all times relevant herein, Defendants were required to both provide and keep accurate records regarding their California employees pursuant to the mandate of Labor Code §§ 226 and 1174.

29. As a result of Defendants' various Labor Code violations, Defendants failed to keep accurate records regarding ~~Plaintiff~~Plaintiffs and other aggrieved current and former employees.

For example, Defendants failed in their affirmative obligation to keep accurate records regarding ~~Plaintiff~~Plaintiffs and other aggrieved current and former employees' gross wages earned, total hours worked, all deductions, net wages earned, and all applicable hourly rates and the number of hours worked at each hourly rate.

Failure to Reimburse Business Expenses

30. At all times relevant herein, Defendants were required to reimburse its employees for any and all necessary expenditures or losses incurred by the employees in direct consequences of the discharge or his or her duties pursuant to the mandate of Labor Code §§ 2800 and 2802. ~~Plaintiff~~Plaintiffs and the aggrieved employees incurred expenditures and losses in direct consequences of the discharge of his or her duties pursuant to the mandate of Labor Code §§ 2800 and 2802.

31. As a pattern and practice, Defendants failed to pay ~~Plaintiff~~Plaintiffs and other aggrieved current and former employees all business expenses incurred and owing them within the required time period, including for the purchase of supplies, and the use of their home office space, utilities, personal cellular phones and internet connections to perform their job duties.

Penalties

32. Pursuant to California Labor Code § 2699, ~~Plaintiff~~Plaintiffs, individually, and on behalf of other current and former aggrieved employees, requests and is entitled to recover from Defendants, and each of them, civil penalties, interest, attorneys' fees and costs pursuant, as well as all statutory penalties against Defendants, and each of them, including but not limited to:

33. Penalties under California Labor Code § 2699 in the amount of one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation;

34. Penalties under California Code of Regulations Title 8 § 11040 in the amount 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;

35. Penalties under California Labor Code § 210 in addition to, and entirely independent and apart from, any other penalty provided in the California Labor Code in the amount of one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation;

36. Penalties under Labor Code § 1197.1 in the amount of one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation, and two hundred and fifty dollars ($250) for each aggrieved employee per pay period for each subsequent violation;

37. Any and all additional penalties as provided by the Labor Code and/or other statutes; and;

38. Attorneys' fees and costs pursuant to Labor Code §§ 210, 1194, 2802, and 2699, and any other applicable statute.

PRAYER FOR RELIEF

WHEREFORE, ~~Plaintiff~~Plaintiffs, on her own behalf and as representative of other aggrieved current and former employees pursuant to PAGA, prays for judgment as follows:

1. For civil penalties pursuant to statute as set forth in Labor Code § 2698 *et seq*., for Defendants' violations of Labor Code §§ 200, 201, 202, 203, 204, 226, 226.7, 432, 500-508, 510, 515, 558, 1174, 1194, 1197, 1198, 1198.5, 2802 and 2698, et seq.
2. Upon the Cause of Action, for costs and attorneys' fees pursuant to Labor Code §§ 210, 1194, 2802 and 2699, and any other applicable statute; and

//

~~2.~~ //

3. For such other and further relief the court may deem just and proper.

Dated: December 2, 2021 **RIGHETTI GLUGOSKI, P.C.**

By: ______________________
John Glugoski
Attorneys for ~~Plaintiff~~Plaintiff
JULIA DOWNS

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Dated: December 8, 2021 **COLLINS KIM, LLP**

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By: ______________________

DAWN COLLINS
TAE KIM
Attorneys for Plaintiff
JOSE MAGALLANES

Exhibit B

EXHIBIT 1 – NOTICE

[Date]

[Addressee]

Re: *Downs and Magallanes v. Guaranteed Rate, Inc.*, Alameda County Superior Court Case No. 21CV003476; Notice of Settlement and Settlement Payment

Dear [name]:

You will find enclosed, a check made payable to you, consisting of a payment from the settlement of the lawsuit captioned *Downs and Magallanes v. Guaranteed Rate, Inc.*, which was filed in Alameda County Superior Court (the "Action").

The Action was filed by Julia Downs and Jose Magallanes ("Plaintiffs") against Defendant Guaranteed Rate, Inc. ("Defendant" or "GRI") (Plaintiffs and Defendant are collectively the "Parties') pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* ("PAGA") ("Complaint"). The Action was brought by Plaintiffs as former employees of GRI on behalf of the State of California and all alleged "aggrieved employees," defined as all current and former employees employed by GRI as exempt under the outside sales exemption in the State of California from September 14, 2020 to [date of order approving settlement]. You have been identified as one of the employees on whose behalf the case was brought.

Plaintiffs allege that GRI owes civil penalties recoverable under PAGA for alleged violations of the California Labor Code including unpaid minimum and overtime wages, failure to provide compliant meal and rest breaks, failure to pay non-compliant meal and rest break premiums, failure to pay all wages owed at separation; failure to timely pay wages during employment, failure to provide complete and accurate wage statements, failure to maintain complete and accurate pay records, and failure to reimburse necessary business-related expenses such as for use of home offices ("Claims"). GRI denies that it did anything wrong, that it violated the Labor Code or that it owes any civil penalties. The Parties agreed to resolve the case. The Court has not ruled on the merits of the Action. On [Approval Date], the court approved the settlement amount to be paid by Defendant for settlement of the PAGA claim for civil penalties. A portion of that settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of that amount goes to the alleged aggrieved employees. In agreeing to this settlement, Defendant does not admit to any wrongdoing or that it is liable in any way for any civil penalties under PAGA.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. The amount is calculated based on the number of pay periods you worked as an exempt, outside sales employee in California for GRI during the period from September 14, 2020, to [Approval Date].

You are not a party to this lawsuit, but you and the State of California are bound by the terms of the settlement. The settlement resolves and releases any and all claims or causes of action for civil penalties, attorneys' fees and costs permissible under PAGA that you, or any other aggrieved employees had, or may claim to have against Defendant and Defendant's parent, subsidiary, affiliated and related companies and entities, including all of its/their officers, directors, employees, partners, shareholders, investors, and agents, and any entities or partnership which they are affiliated with, that arise out of the Claims alleged in the Complaint, which include violations of Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, 7-2001, and 9-2001. This settlement does not release or extinguish individual claims for unpaid wages or claims not arising out of the Claims alleged in the Complaint.

If you have any questions, you may contact the settlement administrator, at [number/email] or:

Tae Kim Collins Kim, LLP 8383 Wilshire Blvd., Suite 800 Beverly Hills, CA 90211 tkim@collinskim.com 213-341-0242 Attorneys for Plaintiff Jose Magallanes	John Glugoski Matthew Righetti Righetti Glugoski, PC 2001 Union Street, Suite 400 San Francisco, CA 94123 jglugoski@righettilaw.com Attorneys for Plaintiff Julia Downs
Tim Johnson Ogletree Deakins 4660 La Jolla Village Drive, Suite 900 San Diego, CA 92122 tjohnson@ogletree.com 858-652-3105 Attorneys for Defendant GRI	

Very Truly Yours,

[Claims Administrator]

EXHIBIT 2

Department of Industrial Relations
STATE OF CALIFORNIA

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Case Information

Case Number: LWDA-CM-833169-21
Plaintiff for PAGA Case: Julia Downs
Filer/Attorney for PAGA Case: Matthew Righetti
Law Firm for PAGA Plaintiff: Righetti Glugoski, P.C.
Employer: Guaranteed Rate, Inc.
Date Case Received:
Employer Filer Firm:
Court Type:
Court Name:
PAGA Court Case Number:
Violation Type:
Related BOFE Case:

Attachments

Attachment Name	Description	Date Submitted	Type
Additional PAGA Document Submitted on 09/14/2021 04:32:33 PM by Matthew	9.14.21 Further revised New PAGA LWDA Letter.pdf	9/14/2021 11:32 PM	Amended Notice
Additional PAGA Document Submitted on 09/27/2021 12:41:27 PM by Matthew	9.14.21 Further revised New PAGA LWDA Letter.pdf	9/27/2021 7:41 PM	Other PAGA Document
PAGA Notice Submitted on 05/25/2021 11:58:17 AM by Matthew Righetti	Final Julia Downs PAGA Letter.pdf	5/25/2021 6:58 PM	PAGA Notice

Department of Industrial Relations
STATE OF CALIFORNIA

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Case Information

Case Number: LWDA-CM-844574-21
Plaintiff for PAGA Case: Joe Magallanes
Filer/Attorney for PAGA Case: Tae Kim
Law Firm for PAGA Plaintiff: Collins Kim LLP
Employer: GUARANTEED RATE, INC.
Date Case Received:
Employer Filer Firm:
Court Type:
Court Name:
PAGA Court Case Number:
Violation Type:
Related BOFE Case:

Attachments

Attachment Name	Description	Date Submitted	Type
PAGA Notice Submitted on 09/14/2021 02:45:26 PM by Tae Kim	LWDA Notice Letter.pdf	9/14/2021 9:45 PM	PAGA Notice

EXHIBIT 3

<<DATE>>

<<FIRST NAME>> <<LAST NAME>>
<<ADDRESS>>

Re: Payment From *Downs and Magallanes et al., v. Guaranteed Rate, Inc.*

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Downs and Magallanes et. al v. Guaranteed Rate Inc.*, Case No.: 21CV003476 (Superior Court for the County of Alameda (the "Action").

The Action was filed against Guarantee Rate, Inc. ("GRI") pursuant to the California Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* ("PAGA"). The claim was brought by two former GRI employees on behalf of the State of California and all individuals who were employed by GRI in California in the loan officer position at any time between September 14, 2020 and the date of the Approval Order. You have been identified as one of the employees on whose behalf the case was brought.

The plaintiff in the Action claimed that GRI owed penalties under PAGA for alleged violations of California Labor Code related to current and former exempt loan officer employees of GRI who worked from home and allegedly were misclassified as exempt from overtime compensation, rest/meal breaks and were not paid all wages due upon termination nor provided proper wage statements. GRI maintains that its policies and practices were lawful and that all employees were provided all compensation to which they were entitled under the law, and denies that it owes any penalties.

The Court has not ruled on the merits of the lawsuit, but it has approved the settlement amount the parties agreed to. A portion of the settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the settlement amount goes to the current and former employees who were allegedly affected by the wage and hour practices at issue in the case. In agreeing to this settlement, GRI does not admit that it is liable in any way to its current or former employees for underpaid wages.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. You are not a party to this lawsuit, but you and the government will be bound by the judgment in this matter as to civil penalties.

Very truly yours,

[INSERT NAME],

EXHIBIT 4

DOWNS v. GUARANTEED RATE
TIME REPORT

Firm Name: Righetti Glugoski, PC

Categories:

(1) Investigations, Factual Research
(2) Discovery
(3) Pleadings, Briefs and Pretrial Motions
(4) Court Appearances
(5) Mediation Settlement and Administration
(6) Litigation Strategy, Analysis and Case Magangement
(7) Class Certification
(8) Trial Preparation and Trial

(P) Partner
(A) Associate
(LC) Law Clerk

ATTORNEY OR PARALEGAL	1	2	3	4	5	6	7	8	HOURS	HOURLY RATE	LODESTAR
Matthew Righetti (P)	6.60	17.70	10.70	1.00	8.10	0.00	0.00	9.50	53.60	1200	**64,320.00**
John Glugoski (P)	28.60	56.20	49.30	8.50	84.90	16.70	0.00	22.50	266.70	900	**240,030.00**
Katherine Acosta (PL	2.70	30.40	8.70	0.00	17.10	5.40	0.00	0.00	64.30	250	**16,075.00**
TOTALS:									385		**320,425.00**

EXHIBIT 5

Case Costs Summary for Righetti Glugoski, P.C.

Downs vs. Guaranteed Rate

DESCRIPTION	NOTES	AMOUNT
Photocopies	In house and outside	$0.00
Supplies		$0.00
Postage		$0.00
Travel/Lodging		$0.00
On-Line Research (pro-rata Westlaw)		$0.00
Mileage/Parking/Taxi		$0.00
Rental Cars		$0.00
Court reporters; and deposition costs		$2,155.60
Courier/Overnight Services	Fax & File,Go Courier, FedEx, UPS	$54.80
Process servers; subpoenas, etc.		$259.60
Court Filing Fees		$454.96
Secretary of State		$0.00
Database prep and analysis		
Investigation		$0.00
Experts/Consultants (trial plan)		
Court Call charges		
At&T Conference Services		$0.00
Mediations		$1,223.92
TOTAL:		**$4,148.88**

EXHIBIT 6

MATTHEW RIGHETTI, ESQ. {121012}
JOHN GLUGOSKI, ESQ. {191551}
RIGHETTI GLUGOSKI, P.C.
2001 Union Street, Suite 400
San Francisco, CA 94123
Telephone: (415) 983-0900
matt@righettilaw.com
jglugoski@righettilaw.com

Attorneys for Plaintiff, Julia Downs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

JULIA DOWNS and JOSE MAGALLANES, individually, and on behalf of all others similarly situated,

Plaintiffs,

vs.

GUARANTEED RATE, INC. and DOES 1 through 50, inclusive

Defendants.

Case No.: 21CV003476

Assigned to: Hon. Karin Schwartz
Dept: 20

DECLARATION OF JULIA DOWNS IN SUPPORT OF MOTION FOR APPROVAL OF PAGA SETTLEMENT AND ENTRY OF JUDGMENT

Hearing Date: August 6, 2025
Time: 3:00 p.m.
Judge: Hon. Karin Schwartz
Location: Dept. 20

I, **JULIA DOWNS**, declare that:

1. I am an individual residing in Myrtle Beach, South Carolina and am the named class representative in the above-captioned class action. I have personal knowledge of the matters set forth herein, and would and could testify thereto if called as a witness herein.

2. I am in no way related to anyone associated with Righetti Glugoski P.C.

3. In July of 2019, Guaranteed Rate hired me as an employee in California. I separated from my employment around the end of January 2021 because Guaranteed Rate was not paying me and the other loan officers all wages I believed we were owed.

4. After being let go, I contacted Righetti Glugoski because I believed that Guaranteed Rate was not including my commissions in calculating my regular rate for purposes of overtime compensation. I explained that I wanted to seek recovery for what I believed was a violation of California law.

5. After exhausting the administrative remedies to seek penalties on behalf of the other loan officers under PAGA, I filed a lawsuit on December 2, 2021. The case proceeded as a PAGA action. Several years after the case was filed, the Court ordered my individual PAGA claims into arbitration and stayed the representative PAGA claims pending in Court on behalf of the other aggrieved employees and the LWDA. When the arbitration was resolved, I returned to prosecuting this PAGA case in Court.

6. I have spent more than 80 hours on this case since its inception, which began close to four years ago; however, focusing just on the PAGA claims, the hours I have spent on this case are over 60 hours. These hours do not include the time I spent litigating my claims in arbitration.

7. I spent 4 hours researching the law and attorneys working in the field. I contacted Righetti Glugoski and spent 3 hours on the phone, discussing my experiences at Guaranteed Rate with the attorneys, my interest in getting involved in the lawsuit, and what duties I might have as

a representative plaintiff.

8. Also, I regularly spoke with my attorney at Righetti Glugoski to discuss various aspects of the case outside of mediation, during the course of the litigation, including all aspects of this case so that I could meet my obligations as a representative of the aggrieved employees. I spent over 20 on the phone over the four year period, discussing the case.

9. I spent 4 hours preparing a summary with details about dates, activities, hours worked, and duties performed from data I had compiled that I believe highlighted some of the violations that I was complaining about.

10. I spent another 2 hours searching for, contacting, and speaking with potential class members to inform them about the lawsuits.

11. I spent another 9 hours searching through my personnel file to gather e-mails, records relating to my employment, handbooks, time sheets, schedules, and payroll documents.

12. I spent 4 hours reviewing Guaranteed Rate's additional informal discovery produced in advance of the mediation to see if the production was accurate and whether I had any information to supplement and/or contradict the information.

13. I actively participated in the mediation by answering questions posed to me not only by the mediator but also defense counsel concerning my class allegations.

14. I spent at least 6 hours preparing for my deposition and another 8 hours being deposed.

15. I also spent 2 hours reviewing the settlement agreement proposed for the court's consideration.

16. I complied with my attorneys in getting signatures on any paperwork necessary along the way in the time requested. I believe that my efforts helped many people obtain a recovery that they otherwise would not have obtained.

17. I understand that as representative plaintiff, I have an obligation to the aggrieved

employees and the LWDA and I have been dedicated to recovering back wages and unreimbursed expenses for this class.

18. At all times, I have understood that I have a duty to protect the LWDA and the aggrieved employees in the case pending in Court and I have done so to the best of my ability. I have never placed my interests above the LWDA and aggrieved employees I seek to represent.

19. I take my duties and responsibilities as a representative Plaintiff seriously. Among those duties that I have undertaken and fulfilled are:

- Having claims that are typical of the other aggrieved employees arising from labor claims sustained by me;
- Considering the interests of the aggrieved employees and the LWDA just as I would consider my own interests;
- Actively participating in the lawsuit and keeping generally aware of the status and progress of the lawsuit;
- Recognizing and accepting that any resolution of the lawsuit, such as by settlement or dismissal, is subject to court approval, and must be designated in the best interest of the aggrieved employees as a whole;
- Being interested, on a continuous basis, in the progress of the lawsuit and making every effort to provide my lawyers and the court with all relevant facts of which I am aware;
- Volunteering to represent the LWDA and many other people with similar claims because I believe that it is important that all benefit from the lawsuit equally, because I believe that a representative action will save time, money, and effort, and thus will benefit all parties and the court, and because I believe that the representative action is an important tool to assure compliance with the law and the protection of employees.

20. Given the time spent bringing and prosecuting the case over the last eight years, I believe an enhancement award of $5,000.00 is reasonable given the results.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 7/10/2025 2025.

DocuSigned by:
Julia Downs
EC0C8C0BA1AD4D3...

JULIA DOWNS

EXHIBIT 7

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Overview of Our Firm:

ILYM Group, Inc is a class action administration, legal notification, and direct media outlets firm. With over 20 years of combined experience, our primary commitments are to client satisfaction, cutting edge technology and data management security, seamless case management and delivery of case expectations. Because, of our adherence to these commitments, ILYM Group, Inc is a one of the fastest growing, Woman Owned Business (NAPW), in the industry and has become the go-to firm for class action administration and legal notification. ILYM Group, Inc works with the top defense and plaintiff firms across the United States.

AREAS OF EXPERTISE:

• Wage and Hour
• FLSA
• Insurance and Health Care
• Consumer
• Finance
• ERISA
• TCPA
• Antitrust
• Securities

Ramirez v JC Penney.

- ERISA Case with a class size of 26,000.

Kruger, et al. v. Novant Health

- ERISA Case with a class size of $32 million.

Abbott, et al. v. Lockheed Martin Corp.

- ERISA Case with $62 million.

Jacqueline Jones vs. I.Q. Data International, Inc.

- TCPA Case with a class size of 93,993. Performed a reverse look-up to obtain Class Member information. We were able to obtain contact information for 93.82% of the Class that did not have a name or address.

Reza Barani vs. Wells Fargo Bank, N.A.

- TCPA Case with a class size of 82,874. Performed a reverse look-up to obtain Class Member information. We were able to obtain contact information for 87.84% of the Class that did not have a name or address.

Kimberly Roberts, et al. v. T.J. Maxx of CA, LLC, et al.

- Wage & Hour Case with a class size of 82,549.

Robert Stone, et al. v. Universal Protection Services, LP, et al.

- Wage & Hour Case with a class size of 75,351.

ILYM Group, Inc. is operational 24/7 delivering true client and class member availability. Our call center is open 24/7/365 days a year, even holidays and is full digital, automated and multilingual. ILYM Group Inc.'s mail and media center is a state-of-the-art facility, fully digital and USPS integrated. We can accommodate cases of any size, from ten class members to multi-millions. ILYM Group, Inc. prides itself on its commitment to service, quality, value pricing and availability. We've committed ourselves to being the best Class Action Administration and Notification Company in our industry. Through our years of experience, ILYM Group, Inc. is dedicated to exceeding our client's expectations.

PRE-SETTLEMENT CONSULTATION

- ***Administration Consultation***: Meeting to determine objectives and expectations by both parties. All reporting and responsibilities will be agreed upon as will the seamless process to access data. We will also discuss the opportunities to identify class members with the proposed print and web-based media for optimum reach. Additionally, all expectations and delivery of those results will be planned for and mapped accordingly.

MAILING AND NOTIFICATION

- ***Fulfillment and Correspondence***: All provided settlement information will be published via United States Postal Service (USPS first class standards) to the proposed mailing class. Notifications will include a Claim ID and how to respond, or Opt-Out, based on the stipulations.

- ***Reverse Lookup***: A confidential reverse phone or reverse cell lookup will provide; owner's name, location, address history, carrier, phone type (landline or cell phone) and more. Our reverse lookup is powered by an extensive database which includes hundreds of millions of cell phone, landline, residential and unlisted number. Our software collects data from multiple data sources and carriers across the US. Our average "hit ratio" ranges from 93% - 98%.

- ***Creating Class Database***: All Data is verified and filtered to eliminate duplication against the United States Postal Service (USPS) National Change of Address (NCOA) database. ILYM Group, Inc. will also certify and validate with the Coding Accuracy Support System (CASS) and Track Your Class (TYC) for zone delivery.

- ***Claim Forms***: ILYM Group, Inc. will email all claim forms, whenever possible, to have accurate reporting and tracking of all class requests. Emails will contain full text claim forms.

- ***Translations***: When needed, ILYM Group, Inc. will translate notices to any language needed to reach Class members.

- ***Remails***: Returned mail will be scanned, re-verified and re-mailed. All returned mail is data warehoused and reported to both parties' counsels in a weekly report.

MEDIA & INTERNET BANNER ADS
Notice Publication

- ***Legal Notices***: ILYM Group, Inc. can provide a Media Proposal to maximize reach based on quantitative and qualitative methodologies.

- ***Electronic Publication (Banner Ads)***: ILYM Group, Inc. will utilize Internet Banner Noticing efforts and web technologies for maximum reach via the World Wide Web.

- ***Electronic Mail Notices***: ILYM Group, Inc. can email an estimated number of class members a full text notice. We are compliant with all search engines and Internet Service Providers (ISP) so that our emails are always "White List" accepted with minimal returns.

- ***Reach***: Every case has its own proposed reach and exposure percentage. We filter, verify and scrub the data to improve reach results.

- ***Services Included***: Analysis, Documentation, Research and Methodologies, Execution and Reporting.

PROJECT MANAGEMENT

- ***Case Notification, Maintenance and Management***: ILYM Group, Inc.'s Senior Project Managers will provide all Account Management, Pre-Consultation to Case Conclusion, Reporting and Claims Processing. Design, negotiation and implementation, upon approval, of all forms and notices, all distribution reporting and filings with the court.

- ***Claims Processing***: All claims can be submitted by USPS, Internet, Fax, and Email or Online submission. Claims will be processed and recorded with matching ILYM database ID's. E-claims will have corresponding records of intake. All deficient claims will be notified via USPS and make provisions for class member to re-submit claims.

- ***Call Center***: ILYM Group, Inc. will support class members with a toll-free number to get the most up-to-date case settlement information. Customer service representatives will be available 24/7/365 as will recorded messages. All class members are given the options to best serve their needs and to receive case information.

- ***Internet Support***: Class members can log on to a provided website and view, print or submit information and claim forms regarding the settlement. Frequently Asked Questions (FAQ's) will be provided as well. Class members may download the claim form with mailing and fax instructions provided on the form.

- ***Objection and Request for Exclusion***: All objections and request for exclusion, opt-out, will be data warehoused, dated and reported. Postmarks will serve for exclusion dating and will be forwarded to both counsels' no more than 5 days post submission. Objection will be reviewed by ILYM Group, Inc. to determine the timeliness and basis of the objection. All information will be forwarded to both parties counsel, along with any representation information from the class member, within 5 days.

DATA ADMINISTRATION AND NETWORK SECURITY

- ***Network Security***: All provided data is encrypted, stored and hosted in a Tier 4, SAS70 certified environment.

- ***Database Administration:*** To be developed with all electronically provided data. Class members will be assigned ILYM Group, Inc. internal tracking ID's to ensure all collected member data coincides with all received claims.

DISTRIBUTION AND SETTLEMENT FUNDING

- ***Distribution and Management***: Upon receipt of settlement funds, ILYM Group, Inc. will open a QSF Account for proceeds of the Gross Settlement Payment. The deposited funds will then be managed per the Settlement Agreement. All funds will be settled with class members and counsel along with all federal and state income tax reporting.

- ***Check Printing and Mailing***: Claims processed, quantified and approved by clients, will be processed for distribution. All checks will be printed and mailed via USPS first class standards. ILYM Group, Inc. will reissue checks in accordance with the Settlement Agreement.

- ***Preparation, Filing and Reporting of Taxes***: ILYM Group, Inc. will ensure taxes are filed in accordance to all federal, state and local employment tax returns. All taxes associated with the settlement will be paid on time to tax authorities. All filings and returns (e.g., 1099s, W-2s, etc.) will be done properly and timely with the appropriate authorities. All QSF steps and obligations with federal, state and/or local law will be followed.

CASE CONCLUSION

- ***Data Manager Final Report***: All database and electronic documentation will be sent in reports weekly and at the conclusion of the Administration engagement. Call center activity, e-claims, mailed, and faxed claims will be included in all reporting.

- ***Project Manager Final Report***: All case and class related information will be provided on a weekly basis and at the conclusion of the Administration engagement. Mailing and media final analysis, exclusions, objections, and all other claims processing outcomes, status reports and final court documentations will be included.

- ***Affidavits***: ILYM Group, Inc. will provide all affidavits in support of analysis and media reach, final approvals and settlement. Expert Testimony and Media Methodologies will be determined.

- ***Document Retention***: Unless otherwise directed, ILYM Group, Inc. will destroy all undeliverable notices on the effective date of the settlement or when the case is no longer subject to appeal. ILYM Group, Inc. will correspond for one year after the final distribution or until the case is no longer subject to appeal.