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Attorneys for PAUL HERNANDEZ, on
behalf of himself, all others similarly situated,
and on behalf of the general public.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS

PAUL HERNANDEZ on behalf of
himself, all others similarly situated, and
on behalf of the general public,

Plaintiffs,

v.

UNITED FACILITIES, INC.; and DOES
1-100,

Defendants.

Case No. CV-21-004264

**DECLARATION OF DAVID MARA, ESQ.,
IN SUPPORT OF PLAINTIFF PAUL
HERNANDEZ'S MOTION FOR
APPROVAL OF PAGA SETTLEMENT**

Date: January 24, 2023

Time: 8:30 a.m.

1 I, DAVID MARA, declare the following:

- 2 1. I am President of Mara Law Firm, PC and counsel of record for Plaintiff and the aggrieved
3 employees in this matter. I am duly admitted to practice before all the courts of the state
4 of California. The following facts are within my personal knowledge and, if called to
5 testify, I could and would competently testify thereto.
- 6 2. I have been practicing law in California since 2004.
- 7 3. I extensively handle employment cases which involve violations of the California Labor
8 Code and Industrial Welfare Commission Wage Orders, such as wage and hour class
9 actions and cases alleging violations of the Private Attorneys General Act of 2004
10 (“PAGA”).
- 11 4. I was co-class counsel in *Hohnbaum v. Brinker Restaurant Corp.*, San Diego Superior
12 Court, Case No. GIC834348, which was the underlying case in the California Supreme
13 Court’s landmark decision in *Brinker Restaurant Corp. v. Superior Court* (2012) 53
14 Cal.4th 1004, in which the California Supreme Court delineated the scope of employer
15 obligations to provide, and employee rights to receive, meal and rest periods under
16 California law.
- 17 5. I wrote an Amicus brief on behalf of Consumer Attorneys Of California (“CAOC”) in the
18 recent decision by the California Supreme Court in *Augustus v. ABM Security Services,*
19 *Inc.* (2016) 2 Cal.5th 257 (rest breaks must be duty-free and time spent being on call
20 during rest breaks is not considered duty-free).
- 21 6. My firm also wrote an Amicus brief on behalf of CAOC in the recent decision by the
22 California Supreme Court in *Williams v. Superior Court* (2017) 3 Cal. 5th 531 (PAGA
23 and wage and hour class action).
- 24 7. My firm has been granted class certification in both state and federal courts.
- 25 8. I am also Plaintiff’s counsel in a host of other class actions involving violations of
26 California’s wage and hour laws, many of which involve the transportation industry. For
27 example, I have been and am involved as counsel for plaintiffs in the following sampling
28 of class action cases involving wage and hour violations under California law: *Peron v.*

1 *The Vons Companies, Inc.* (Case No. 37-2014-00006965); *Hilderbrand v. LinkUs*
2 *Enterprises, LLC* (Case No. DR150155); *Martin v. Sysco Central California, Inc.* (Case
3 No. 1:16-cv-00990-DAD-SAB); *Paramo v. Cintas Corporate Services, Inc., et. al.* (Case
4 No. CIVDS1719941); *Cortez v. United Natural Foods, Inc.* (Case No. 5:18-cv-04603-
5 BLF); *Frieri v. Sysco San Diego, Inc.* (Case No. 3:16-cv-1432-JLS-NLS); *Allen v. J.S.*
6 *West Hardister, LLC, et. al.* (Case No. 9000289); *Betts v. Foster Dairy Farms* (Case No.
7 9000320); *Perez v. City of San Diego* (Case No. 37-2014-00016621); *Cuellar-Ramirez v.*
8 *US Foods, Inc.* (Case No. RG15770766); *Rodriguez v. Delta Sierra Beverage, LLC* (Case
9 No. 34-2017-00206727); *Helton v. Pepsi-Cola Sales and Distribution, Inc., et. al.,* (Case
10 No. 3:17-cv-01135-EMC); *Kramer v. XPO Logistics, Inc.* (Case No. 3:16-cv-07039-
11 WHO).

12 9. Plaintiff sent his Notice of Labor Code Violations Pursuant to Labor Code § 2699.3 on
13 May 26, 2021. In the letter, Plaintiff, a former non-exempt employee of Defendant,
14 apprised the LWDA of his claims against Defendant United Facilities, Inc. Plaintiff's
15 notice alleged that Defendant violated the California Labor Code by failing to pay all
16 straight time wages, failing to pay minimum wages, failing to pay all overtime wages,
17 failing to provide lawful meal and rest periods, failing to provide accurate itemized wage
18 statements, failing to pay all wages owed at termination, and failing to pay wages twice per
19 month.

20 10. This action was filed by Plaintiff against Defendant in the Stanislaus County Superior
21 Court on August 10, 2021. The complaint alleged causes of action on behalf of Plaintiff
22 and those similarly situated aggrieved employees under the PAGA for failure to pay
23 straight time wages, failure to pay overtime, failure to provide meal periods, failure to
24 provide rest periods, failure to provide compliant wage statements, failure to pay all wages
25 due at termination, and failure to pay wages twice per month.

26 11. After filing, the Parties conducted formal and informal discovery. On or around August 30,
27 2021, Plaintiff propounded one set of document requests and one sets of special
28 interrogatories on Defendant. Defendant responded to this discovery on or around

December 14, 2021. Thereafter, the Parties met and conferred over these responses. Once the Parties had agreed to attend mediation, they began conducting further informal discovery.

12. As a result of this formal and informal discovery, Defendant produced hundreds of pages of documents and a sampling of time and wage records for aggrieved employees. The documents included policy documents such as Defendant's meal and rest period policies, policies regarding the payment of wages, and employee handbooks.

13. The Parties attended mediation with respected wage and hour mediator Hon. Wynne S. Carvill (Ret.) on October 19, 2022. Shortly after the mediation, the mediator issued a mediator's proposal that was ultimately accepted by the Parties. Thereafter, the Parties drafted and signed a Memorandum of Understanding, detailing the principal settlement terms, which were later memorialized in the Settlement Agreement the Parties now ask the Court to approve.

14. Plaintiff contends that Defendant maintains a uniform rest period policy that explicitly tells employees that they are not permitted to leave the work premises during a rest period. For this reason, Defendant does not relinquish all control over class members during their rest periods in violation of California law.

15. Defendants contend that although at one time they may have had a rest period policy that did not permit employees to leave the premises, this has not been the case since February of 2018. Defendant points to an addendum in the back of the employee handbook that clearly states that employees are permitted to leave the premises for their rest periods. Further, Defendant claims that it informs employees that they are to take duty-free rest periods wherever they choose and that they do not need to stay on the premises if they want to go somewhere else.

16. Plaintiff argues that Defendant fails to provide employees with a full 30 minute meal period "in which they are relieved of any duty or employer control." Defendant expects employees to clock out and in for meal periods. However, it takes employees several minutes to travel from the breakroom to the timeclock to punch back in at the end of a meal period. To make

1 matters worse, employees are required to wait in line behind other employees for several
2 minutes who are also trying to clock back in after a meal period. All of this time spent
3 under Defendant's control cuts into the employee's 30 minute meal period.

4 17. Defendant asserts that, just as with rest periods, employees are provided with meal periods
5 in accordance with California law. Defendant points out that the meal period policy in the
6 employee handbook is facially lawful, that nothing in Defendant's meal period policy
7 prevents employees from taking additional time beyond the minimum allocated 30
8 minutes, and that no one is disciplined for not clocking in precisely at the 30-minute mark
9 upon their return from a meal period, nor would it be feasibly possible to expect employees
10 to do so, highlighting the absurdity of Plaintiff's claims here. Defendant also argues that
11 Plaintiff would have to ask each employee whether they thought the policy Plaintiff relies
12 upon actually meant that employees were required to clock back in to work after a 30-
13 minute meal period, despite Defendant's meal period policy explicitly providing for a
14 minimum of 30 minutes, not a maximum. Because each employee would have to testify as
15 to their understanding of the policy, Plaintiff's claim would be unmanageable at trial.

16 18. As discussed previously, Plaintiff asserts that Defendant does not pay employees for the
17 time spent traveling from the breakroom to the timeclock during their unpaid meal periods,
18 nor for the time spent waiting in line to clock back in for work during their unpaid meal
19 periods. As employees are off the clock during these time periods, they are not being paid
20 for this time, despite clearly being under Defendant's control pursuant to *Morillion* and the
21 authorities that have followed.

22 19. Defendant argues that beyond the limited accusations of Plaintiff, there is no evidence that
23 employees performed *any* work-related tasks for which they were not compensated, and
24 that Defendant has uniform practices and policies *forbidding* employees from working off
25 the clock. Defendant claims that Plaintiff's recitation of the circumstances surrounding
26 how employees clock in for work after a meal period is wholly inaccurate, and that the time
27 spent engaging in the above activities takes merely seconds, not minutes. Due to this
28 brevity, Defendant asserts that it is not reasonably required to compensate employees for

1 this time.

2 20. Plaintiff also pursued claims for failure to provide accurate itemized wage statements and
3 waiting time penalty claims. These claims are derivative of Plaintiff's unpaid wages claim.
4 Should Plaintiff's unpaid wages claim fail, these claims would also fail.

5 21. Defendant also argues that should litigation continue, they will bring a motion challenging
6 the manageability of trial as Defendant does not believe that this case can be tried
7 manageably and will require the testimony of every individual aggrieved employee.
8 Furthermore, while Defendant does not concede that any of their wage and hour policies
9 are unlawful, Defendant claims that any challenges Plaintiff has posed to these policies are
10 easily refuted by how they are implemented in practice; as a result, no aggrieved employee
11 has suffered any damages.

12 22. Plaintiff claims that there are seven (7) potential violations under § 2699(f)(2) – failure to
13 provide lawful meal breaks or pay a premium, failure to provide lawful rest breaks or pay
14 a premium, failure to pay all wages, failure to pay overtime, failure to pay for failure to
15 provide accurate itemized wage statements, failure to pay wages at the time of termination,
16 and failure to pay wages twice per month – of the Labor Code sections which give rise to
17 PAGA penalties

18 23. Each of Plaintiff's claims, with the exception of Plaintiff's claims for failure to waiting
19 time penalties, occurred at least once in every pay period. Plaintiff's claims for waiting
20 time penalties only occurred in approximately 224 pay periods. Thus, Defendants'
21 **maximum** exposure under §2699(f)(2) is \$8,949,200:

22 \$100 x 6 PAGA violations x 14,878 pay periods = \$8,926,800

23 \$100 x 1 PAGA violation x 224 pay periods = \$22,400

24 Maximum Exposure: \$8,949,200

25 24. Here, PAGA Counsel applies for an award of attorneys' fees in the sum of \$449,955 (which
26 is 33.33% of the GSA). The requested fee falls in the mid-range of percentage class fee
27 awards, which commonly range from 20% to 50% of a common fund, and constitutes fair
28 compensation for undertaking complex, risky, expensive, and time-consuming litigation

on a contingent basis and compensates PAGA Counsel for their efforts, as well as the result achieved for the benefit of the State of California and the Aggrieved Employees.

25. All of the work and tasks performed by PAGA Counsel were reasonable and necessary to the prosecution of this case and are reflected in the result achieved.

26. Most importantly, all services were performed by PAGA Counsel on a contingent basis. Both California and federal courts recognize that attorneys should be compensated for taking on such contingent risks and provided with financial incentives to enforce important rights and protections like those at issue in this case. Here, PAGA Counsel bore the risk that, in spite of all of their efforts and skill employed, there may be no recovery.

27. PAGA Counsel respectfully requests a fee of \$449,955, which, based on the total attorney hours expended and rates, would require a 1.48 multiplier to raise the generated fees of \$303,950 to the requested amount.

28. Class Counsel's hourly rates are between \$550 and \$800 and are in line with rates typically approved in wage and hour class action litigation and which rates have been approved by Courts in California in the Los Angeles, Sacramento, San Francisco, Alameda, Orange and San Diego County Superior Courts.

29. I devoted 239 hours to this case. The following is a summary of my tasks and activities performed in the litigation of this matter: initial case intake; research into new case; research into whether other cases are filed against potential new defendant; preparing personnel file request; pre-filing investigation and legal research; reviewing and revising PAGA notices; drafting and revising initial complaint and related documents; researching and investigating legal issues throughout case; interoffice discussions throughout case; investigating Defendant's pay-structures and policies for its employees; conferences with Defendant's Counsel; analyzing records produced by Defendants relating to its policies, pay-structures, and time keeping; communications with Plaintiffs expert on his analysis of the sampling of Class Member time and wage records; reviewing and revising mediation brief and mediation damage and exposure model; preparing for and attending mediation; reviewing and revising the memorandum of understanding; reviewing and revising the

1 settlement agreement and the notice to the aggrieved employees; reviewing and revising
2 PAGA settlement approval motion and supporting papers; drafting declaration in support
3 of approval motion; review and revise supplemental brief in support of settlement; and
4 review Settlement Administrator's declaration.

5 30. My hourly rate is \$800. Based on my hourly rate and the hours expended, 239, my fee is
6 \$191,200, which is reasonable and necessary to the successful litigation of this matter.

7 31. Matthew Crawford is an associate at the Mara Law Firm. Mr. Crawford has been a member
8 of the California Bar since 2016. Mr. Crawford received his training in wage and hour class
9 action and PAGA lawsuits while at Mara Law Firm, PC. He has been substantially
10 involved in all phases of this litigation and in the following sampling of wage and hour
11 class action and PAGA cases, of which our firm is the attorney of record: *Norona v. B&G*
12 *Delivery System, Inc.* (Case No. RG1577005); *Limon v. National Retail Transportation,*
13 *Inc.* (Case No. 2:16-cv-02054); *Medina v. Central Cal Transportation, Inc.* (Case No.
14 RG15770011); *Shroeder v. YRC Global, Inc.* (Case No. 2:16-cv-06173); *Davidson v. A&B*
15 *Trucking Services, Inc.* (Case No. 16CECG02390); *Spikes v. Bear Trucking, Inc.* (Case No.
16 16CECG02389); *Montes v. CORAM Specialty Infusion Services, Inc.* (Case No. 37-2016-
17 00028950-CU-OE-CTL); *Valentich v. Hub Construction Specialties, Inc.* (Case No. RIC
18 1610267); *Roby v. Pan Pacific Petroleum, Inc.* (Case No. BCV-16-101856); *Smith v.*
19 *Roadrunner Management Services, Inc.* (Case No. BC630949); *Terry v. Hoovestol, Inc.*
20 (Case No. RG16823879); *Belton v. Satellite Affordable Housing Associates* (Case No.
21 RG17885127).

22 32. Mr. Crawford devoted 205 hours to this case. The following is a summary of his tasks and
23 activities performed in the litigation of this matter: draft PAGA notice to the LWDA;
24 interoffice discussions throughout case; draft discovery to propound on Defendant; review
25 Defendant's discovery responses and draft meet and confer letter; draft case management
26 statements; appear at case management conferences; analyze documents and information
27 produced by Defendant, including records produced by Defendant relating to its policies,
28 pay-structures, and time keeping; create document summary; communications with

1 Defendant's counsel; draft and revise stipulations for filing in case; draft and revise
2 mediation brief and damage model; prepare for and attend mediation; review and revise
3 memorandum of understanding; review and revise settlement agreement; draft and revise
4 settlement approval motion and supporting paperwork; draft and revise supplemental brief
5 in support of settlement; and review Settlement Administrator's declaration.

6 33. Mr. Crawford's hourly rate is \$550. Based on his hourly rate and the hours expended, 205,
7 his fee is \$112,750 which is reasonable and necessary to the successful litigation of this
8 matter.

9 34. Class Counsel seeks reimbursement of the litigation costs and expenses of \$8,878.94.

10 35. A true and correct copy of the PAGA Settlement Agreement is attached as **Exhibit 1**.

11 36. A true and correct copy of the Westlaw Court's Express's Legal Billing Report, Volume
12 14, Number 3, California Region for December 2012 is attached as **Exhibit 2**.

13 37. A true and correct copy of the Declaration of Richard M. Pearl in *Hohnbaum v. Brinker*
14 *Restaurant Corp.* SDSC GIC834348 is attached as **Exhibit 3**.

15 38. A true and correct copy of the 2012 National Law Journal Survey of Hourly Billing Rates
16 for Partners and Associates is attached as **Exhibit 4**.

17 39. A true and correct copy of a Summary of Time and Costs is attached hereto as **Exhibit 5**.

18 40. A true and correct copy of the filing receipt from the upload of this settlement motion to
19 the LWDA is attached hereto as **Exhibit 6**.

20 41. A true and correct copy of an email from the LWDA confirming that the upload of this
21 settlement motion was received is attached hereto as **Exhibit 7**.

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

24 Dated: December 27, 2022

MARA LAW FIRM, PC

25 

26 David Mara, Esq.
27 Attorneys for PAUL HERNANDEZ, on behalf of
28 himself, all others similarly situated, and on behalf
of the general public

Exhibit 1

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF STANISLAUS**

PAUL HERNANDEZ, on behalf of
himself and all others similarly situated,
and on behalf of the general public,

Plaintiff,

vs.

UNITED FACILITIES, INC.; and
DOES 1-100,

Defendants.

Case No. CV-21-004264

PAGA SETTLEMENT AGREEMENT

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of Stanislaus, Plaintiff Paul Hernandez (“Plaintiff”) and Defendant United Facilities, Inc. (“Defendant”) (each individually, a “Party,” and collectively with Plaintiff, the “Parties”) hereby agree to the following provisions within this binding settlement agreement (“Settlement Agreement”) of the action entitled *Paul Hernandez v. United Facilities, Inc.*, Case No. CV-21-004264, filed in Stanislaus County Superior Court on August 10, 2021 (the “Action”).

DEFINITIONS

The following definitions are applicable to this Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Hernandez v. United Facilities, Inc.*, Case No. CV-21-004264, filed in Stanislaus County Superior Court on August 10, 2021.
2. “Aggrieved Employees” means all persons who were employed by Defendant as non-exempt, hourly paid employees in the State of California at any time from June 6, 2020 to December 31, 2022.
3. “Court” means the Superior Court for the State of California, County of Stanislaus.
4. “LWDA” means the California Labor and Workforce Development Agency.
5. “Gross Settlement Amount” means the maximum settlement amount Defendant is obligated to pay under this Settlement Agreement, consisting of \$1,350,000 (One Million Three Hundred Fifty Thousand Dollars and Zero Cents) to be paid by Defendant in full satisfaction of all Settled Claims arising from the Action, which includes all payments to Aggrieved Employees, Plaintiff, Plaintiff’s Counsel, the LWDA, and the Settlement Administrator.

1 6. “PAGA” means the Labor Code Private Attorneys General Act of 2004, Cal.
2 Lab. Code §§ 2698, *et. seq.*

3 7. “Net Settlement Amount” means the Gross Settlement Amount less the
4 Plaintiff’s Counsel’s Attorneys’ Fees and Costs, Enhancement Award, and Settlement
5 Administrator Costs.

6 8. “Plaintiff’s Counsel” means Mara Law Firm, PC.

7 9. “Released Parties” mean Defendant and any and all of its affiliated companies
8 and its respective parent companies, subsidiaries, affiliates, shareholders, members, agents
9 (including, without limitation, any investment bankers, accountants, insurers, reinsurers,
10 attorneys and any past, present or future officers, directors and employees) predecessors,
11 successors, and assigns.

12 10. “Enhancement Award” means the amount to be paid to Plaintiff as payment for
13 his service on behalf of the LWDA and Aggrieved Employees and in consideration for a general
14 release and waiver of his rights and claims against Defendant, including waiver of his rights
15 under Cal. Code of Civ. Proc. § 1542.

16 11. “Settlement Administrator” means Phoenix Settlement Administrators.

17 12. “Settlement Administrator Costs” means costs incurred by the Settlement
18 Administrator in order to establish a qualified settlement fund and issue payments and
19 appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff’s Counsel.
20 The Settlement Administrator Costs will be paid from the Gross Settlement Amount.

21 13. “Released Claims” means all claims for civil penalties pursuant to PAGA, arising
22 at any time during the PAGA Period based on facts alleged in the operative complaint and
23 notice submitted to the LWDA, or that could have been alleged based on the facts pleaded in the
24 operative complaint or LWDA notice, or that were alleged in the case, including, but not limited
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1 to civil penalties that arise or that could arise out of allegations of unpaid wages due to time
2 spent queuing-to-punch and unpaid wages for alternative-work-schedule employees who did not
3 work a full 10-hour shift.

4 14. "PAGA Period" means June 6, 2020 to December 31, 2022.

5 **TERMS**

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7 15. Gross Settlement Amount. In consideration for Plaintiff's promises and
8 representations described in this Settlement Agreement, and subject to all of the conditions of
9 this Settlement Agreement being met, Defendant will pay a maximum amount of \$1,350,000
10 (One Million Three Hundred Fifty Thousand Dollars and Zero Cents) ("GSA") in settlement of
11 this matter, except for Defendant's portion of payroll taxes (if any) (which will be paid by
12 Defendant in addition to the GSA) and increase in the GSA amount for increase in the number
13 of Aggrieved Employees or pay periods, as provided herein below. If the actual number of
14 Aggrieved Employees exceeds 15% (fifteen percent) of 224 or the actual number of pay periods
15 exceeds 15% (fifteen percent) of 14,878, the GSA shall increase proportionally by the increase
16 above 15% in the number of Aggrieved Employees or pay periods, whichever is greater. This
17 figure represents the maximum amount Defendant is obligated to pay under this agreement,
18 except for Defendant's portion of payroll taxes on the settlement payments to the Aggrieved
19 Employees that are attributed as wages (if any). The GSA herein includes the settlement
20 payments to the Aggrieved Employees, the LWDA, Settlement Administration Costs, any
21 incentives and/or enhancements to Plaintiff, and Attorneys' Fees and Costs to Plaintiff's
22 Counsel. Defendant will have no obligation to pay the settlement amount until after the Court's
23 entry of judgment in conjunction with the hearing on Plaintiff's motion for court approval of the
24 settlement. For purposes of this settlement, the settlement payments to the Aggrieved
25 Employees shall be attributed as follows:
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- 1 (a) From the GSA, Defendant will not oppose Plaintiff's request for
2 Attorneys' Fees of up to \$449,955 (Four Hundred Forty-Nine Thousand
3 Nine Hundred and Fifty-Five Dollars and Zero Cents), which is one-third
4 (33.33%) of the GSA.
- 5 (b) From the GSA, Defendant will not oppose Plaintiff's request for
6 reasonable costs, subject to proof, and provided that Plaintiff's Counsel
7 submit a declaration substantiating the costs.
- 8 (c) From the GSA, an Enhancement Award in the amount of \$10,000 (Ten
9 Thousand Dollars and Zero Cents) will be provided to Plaintiff as a
10 representative enhancement payment in consideration for a general
11 release and waiver of his rights and claims against Defendant, including
12 waiver of his rights under Cal. Code of Civ. Proc. § 1542.
- 13 (d) From the GSA, any Settlement Administrator Costs will be paid to the
14 Settlement Administrator, as described in Paragraph 19, below.
- 15 (e) From the GSA, any remainder will be distributed to Aggrieved
16 Employees pursuant to PAGA, subject only to the portion that, per
17 statute, must be paid to the State.

18 No portion of the Gross Settlement Amount will be retained by, or revert to, Defendant.

19 16. Net Settlement Amount. The Net Settlement Amount ("NSA") will be paid to
20 Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties
21 under the California Labor Code, Wage Orders, regulations, and/or other provisions of law
22 alleged to have been violated in the Action or that could have been alleged, as described in
23 Paragraph 13, with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent
24 (75%) of the NSA will be paid to the LWDA, and the remaining Twenty-Five Percent (25%)
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1 will be paid to all Aggrieved Employees according a prorated distribution based on the number
2 of pay periods worked during the PAGA period as a percentage of the payments to Aggrieved
3 Employees. The following shall be the formula:

4 16(a) Defendant will calculate: (i) the total number of pay periods worked by
5 each Aggrieved Employee during the Settlement Period (each Aggrieved
6 Employee to receive credit for at least one pay period), and (ii) the total
7 number of pay periods worked by all Aggrieved Employees during the
8 Settlement Period.

10 16(b) To determine each Aggrieved Employee's payment from the NSA,
11 Defendant will use the following formula: Settlement Payment =
12 Twenty-Five Percent (25%) of the NSA $\times$ [pay periods worked by
13 individual Aggrieved Employee during the Settlement Period $\div$ total pay
14 periods worked by all Aggrieved Employees during the Settlement
15 Period].

17 16(c) The Gross Settlement Amount was calculated based on Defendant's
18 estimate that are 224 Aggrieved Employees and the Aggrieved
19 Employees worked a total of Fourteen Thousand Eight Hundred Seventy-
20 Eight (14,878) pay periods during the Settlement Period. If the number of
21 Aggrieved Employees exceeds 15% of 224 or the number of pay periods
22 exceeds 15% of 14,878, the GSA shall increase proportionally by the
23 increase above 15% in Aggrieved Employees or pay periods, whichever
24 is greater.

26 17. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any
27 application or motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than
28

1 \$449,955 (Four Hundred Forty-Nine Thousand Nine Hundred and Fifty-Five Dollars and Zero
2 Cents), which is one-third (33.33%) of the GSA, which will be paid from the GSA. Any portion
3 of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the NSA.

4 18. Enhancement Award. For a general release of all claims Plaintiff may have
5 against Defendant arising out of his employment, and for his service on behalf of the LWDA
6 and Aggrieved Employees, Defendant agrees not to oppose or impede any application or motion
7 by Plaintiff for an enhancement award of up to Ten Thousand Dollars (\$10,000) ("Enhancement
8 Award"). Upon receipt of the Enhancement Award, Plaintiff will be deemed to have fully
9 released and discharged Defendant from any and all claims, demands, obligations, causes of
10 action, rights, or liabilities of any kind which have been or could have been asserted against
11 Defendant arising out of, or relating to, Plaintiff's employment with Defendant or termination
12 thereof, including but not limited to claims for wages, restitution, penalties, retaliation,
13 defamation, discrimination, harassment or wrongful termination of employment. This release
14 specifically includes any and all claims, demands, obligations and/or causes of action for
15 damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by this
16 Settlement Agreement) relating to or in any way connected with the matters referred to herein,
17 whether or not known or suspected to exist, and whether or not specifically or particularly
18 described herein. Specifically, Plaintiff will be deemed to have waived all rights and benefits
19 afforded by California Civil Code Section 1542, which provides:

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23 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
24 **THAT THE CREDITOR OR RELEASING PARTY DOES**
25 **NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
26 **FAVOR AT THE TIME OF EXECUTING THE RELEASE**
27 **AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
28 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT**
WITH THE DEBTOR OR RELEASED PARTY.

19. Settlement Administration Costs. The Parties will retain Phoenix Settlement

Administrators (“Phoenix”) as the third-party settlement administrator (“Settlement Administrator”). The Settlement Administrator will be responsible for establishing a qualified settlement fund (“QSF”) and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff’s Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there are approximately Two Hundred Twenty-Four (224) Aggrieved Employees, Settlement Administration Costs will not exceed \$10,000 (Ten Thousand Dollars and Zero Cents).

20. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the Court issue an order and judgment approving and incorporating by reference the terms and conditions of this Settlement Agreement (the “Order and Judgment”).

21. List of Aggrieved Employees. Within Fourteen (14) calendar days after entry of the Order and Judgment, Defendant will provide the Settlement Administrator a complete list of all Aggrieved Employees (“Aggrieved Employee List”). The Aggrieved Employee List will be formatted in Microsoft Office Excel or other computer-readable format and will include each Aggrieved Employees full name; most recent mailing address and telephone number; Social Security number; the respective number of pay periods during which each Aggrieved Employee worked during the Settlement Period; and any other relevant information needed to calculate settlement payments to the extent available from Defendant’s records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the settlement in conformity with the Court’s Order.

22. Funding of the Settlement. Within Fourteen (14) calendar days after entry of the Order and Judgment, Defendant will deposit the Gross Settlement Amount into the QSF to be

1 established by the Settlement Administrator. Within fourteen (14) calendar days of the funding
2 of the Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved
3 Employees; (b) the LWDA; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The Settlement
4 Administrator, and not Defendant, will issue the appropriate tax forms for all payments issued
5 under this Settlement.
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7 23. Settlement Payments to Aggrieved Employees. The Settlement Administrator
8 will issue each Aggrieved Employee one check for his or her share of the NSA along with an
9 explanatory letter, which will be mutually approved by the Parties. Prior to mailing, the
10 Settlement Administrator will perform a search based on the National Change of Address
11 Database for information to update and correct for any known or identifiable address changes.
12 Any checks returned as non-deliverable on or before the check cashing deadline will be sent
13 promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no
14 forwarding address is provided, the Settlement Administrator will promptly attempt to
15 determine the correct address using a skip-trace, or other search using the name, address or
16 Social Security number of the Aggrieved Employee involved, and will then perform a single re-
17 mailing. Checks will remain negotiable for 180 days. Those funds represented by un-cashed
18 checks which remain outstanding 180 days after the mailing of the Settlement checks by the
19 Settlement Administrator will be tendered to Alliance for Children's Rights. All settlement
20 payments to Aggrieved Employees will be treated as penalties for which a 1099 will be issued.
21

22 24. PAGA Released Claims. Upon entry of the Order and Judgment, Plaintiff and the
23 LWDA will be forever barred from pursuing against Released Parties any and all Released
24 Claims during the Settlement Period. Other than Plaintiff's general release, this Settlement does
25 not release any individual wage-and-hour claims on behalf of the Aggrieved Employees.
26

27 25. No Right to Exclusion or Objections by Aggrieved Employees. Because this
28

1 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy
2 and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties
3 agree that no Aggrieved Employee has the right to exclude himself or herself from this
4 Settlement Agreement. Aggrieved Employees will be bound by the terms of this Settlement
5 Agreement, upon its approval by the Court, regardless of whether he or she cashes any payment
6 received as a result of this settlement. The Parties also agree that no Aggrieved Employee has
7 the right to object to the terms of this Settlement Agreement.
8

9 26. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as
10 referenced herein will not be utilized to calculate any additional benefits under any benefit plans
11 to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing
12 plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO
13 plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement
14 Agreement will not affect any rights, contributions, or amounts to which any Aggrieved
15 Employee may be entitled under any benefit plans. The payments made under the terms of this
16 Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis,
17 as salary, earnings, wages, or any other form of compensation for the purposes of any of
18 Defendant's benefit plans, policies, or bonus programs. Defendant retains the right, if
19 necessary, to modify the language of their benefit plans, policies, and bonus programs to effect
20 this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are
21 not for "hours worked," "hours paid," "hours of service," or any similar measuring term as
22 defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting,
23 benefit accrual, or any other purpose, and that additional contributions or benefits are not
24 required by this Settlement Agreement.
25

26
27 27. No Prior Assignments. The Parties and their counsel represent, covenant, and
28

1 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
2 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
3 demand, action, cause of action, or right herein released and discharged.

4 28. Nullification of Settlement Agreement. In the event that: (i) the Court does not
5 approve the settlement or this Settlement Agreement as provided herein; or (ii) the settlement or
6 this Settlement Agreement does not become final for any other reason, then this Settlement
7 Agreement, and any documents generated to bring it into effect, will be null and void, and the
8 Parties will be returned to their original respective positions.

10 29. Dismissal. This Settlement Agreement is expressly conditioned upon the Court
11 entering the Order and Judgment that dismisses the Action in its entirety.

12 30. Tax Consequences. Plaintiff and Aggrieved Employees will be solely responsible
13 for correctly characterizing any compensation received under this Settlement Agreement on his
14 or her personal income tax returns for tax purposes, and paying all appropriate taxes due for any
15 and all amounts paid to them under the settlement. Plaintiff, Defendant, Plaintiffs' Counsel, and
16 Defendant's Counsel make no representations or warranties with respect to tax consequences of
17 any payment under this Settlement Agreement, do not intend anything contained in this
18 Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in
19 this Settlement Agreement be relied upon as such.

21 31. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the
22 Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation
23 and enforcement of the terms of this Settlement Agreement, (ii) settlement administration
24 matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set
25 forth in this Settlement Agreement.

27 32. Entire Agreement. This Settlement Agreement constitutes the entirety of the
28

1 Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be
2 deemed binding on the Parties. The Parties each acknowledge and represent that no promise or
3 representation not contained in this Settlement Agreement has been made to them, and
4 acknowledge and represent that this Settlement Agreement contains the entire understanding
5 between them.
6

7 33. Amendment or Modification. This Settlement Agreement may be amended or
8 modified only by a written instrument, signed by either the Parties or their successors-in-interest
9 or counsel for all Parties, subject to approval by the Court.

10 34. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
11 warrant and represent they are expressly authorized by the Parties whom they represent to
12 negotiate this Settlement Agreement and to take all appropriate action required or permitted to
13 be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to
14 execute any other documents required to effectuate the terms of this Settlement Agreement. The
15 Parties and their counsel will cooperate with each other and use their best efforts to affect the
16 implementation of this Settlement Agreement. If the Parties are unable to reach agreement on
17 the form or content of any document needed to implement this Settlement Agreement, or on any
18 supplemental provisions that may become necessary to effectuate the terms of this Settlement
19 Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.
20

21 35. Binding on Successors and Assigns. This Settlement Agreement will be binding
22 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
23 defined.
24

25 36. California Law Governs. All terms of this Settlement Agreement will be
26 governed by and interpreted according to the laws of the State of California.

27 37. Execution and Counterparts. This Settlement Agreement is subject only to the
28

1 execution of all Parties. However, this Settlement Agreement may be executed in one or more
2 counterparts. All executed counterparts and each of them, including electronic signatures (e.g.,
3 DocuSign), facsimiles, and scanned copies of the signature pages, will be deemed to be one and
4 the same instrument.

5
6 38. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
7 believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action
8 and have arrived at this Settlement Agreement after arm's-length negotiations by experienced
9 counsel. The Parties further acknowledge that they are each represented by competent counsel
10 and that they have had an opportunity to consult with their counsel regarding the fairness and
11 reasonableness of this Settlement Agreement.

12
13 39. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however,
14 that Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they
15 request from the Court, and either party may appeal any court order that materially alters this
16 Settlement Agreement's terms.

17 40. Invalidity of Any Provision. Before declaring any provision of this Settlement
18 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
19 extent possible consistent with applicable precedents so as to define all provisions of this
20 Settlement Agreement valid and enforceable.

21
22 41. Captions. The captions and section numbers in this Settlement Agreement are
23 inserted for the reader's convenience, and in no way define, limit, construe or describe the scope
24 or intent of the provisions of this Settlement Agreement.

25 42. Waiver. No waiver of any condition or covenant contained in this Settlement
26 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be
27 considered to imply or constitute a further waiver by such party of the same or any other
28

1 condition, covenant, right or remedy.

2 43. Enforcement Action. In the event that one or more of the Parties institutes any
3 legal action or other proceeding against any other Party or Parties to enforce the provisions of
4 this Settlement Agreement or to declare rights and/or obligations under this Settlement
5 Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful
6 Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in
7 connection with any enforcement actions.
8

9 44. Mutual Preparation. The Parties have had a full opportunity to negotiate the
10 terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement
11 will not be construed more strictly against one Party merely by virtue of the fact that it may
12 have been prepared by counsel for one of the Parties, it being recognized that, because of the
13 arm's-length negotiations between the Parties, all Parties have contributed to the preparation of
14 this Settlement Agreement.
15

16 45. Representation By Counsel. The Parties acknowledge that they have been
17 represented by counsel throughout all negotiations that preceded the execution of this
18 Settlement Agreement, and that this Settlement Agreement has been executed with the consent
19 and advice of counsel, and reviewed in full.
20

21 46. Cooperation and Execution of Necessary Documents. All Parties will cooperate
22 in good faith and execute all documents to the extent reasonably necessary to effectuate the
23 terms of this Settlement Agreement.

24 47. Binding Agreement. The Parties warrant that they understand and have full
25 authority to enter into this Settlement, and further intend that this Settlement Agreement will be
26 fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
27 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
28

provisions that otherwise might apply under federal or state law.

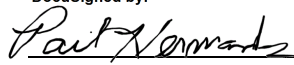
48. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement Agreement, nor any action taken in implementation thereof, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued, or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement Agreement or any orders or judgments of the Court entered into in connection therewith.

THIS IS A RELEASE. READ CAREFULLY BEFORE SIGNING.

SIGNATURES

PLAINTIFF

Dated: 11/23/2022

DocuSigned by:

 BEBBC93EBA0F4EE...
 Paul Hernandez

DEFENDANT

Dated:

Renna Bliss

On behalf of and an authorized
 representative of United Facilities, Inc.

1 provisions that otherwise might apply under federal or state law.

2 48. Denial of Liability. The Parties expressly recognize that the making of this
3 agreement does not in any way constitute an admission or concession of wrongdoing on the part
4 of Defendant. Nothing in this Settlement Agreement, nor any action taken in implementation
5 thereof, nor any statements, discussions, or communications, nor any materials prepared,
6 exchanged, issued, or used during the pendency of the Action, is intended by the Parties to, nor
7 will any of the foregoing constitute, be introduced, be used or be admissible in any way in any
8 other judicial, arbitral, administrative, investigative, or other forum or proceeding, as evidence
9 of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or
10 executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing,
11 this Settlement Agreement may be used in any proceeding in the Court that has as its purpose
12 the interpretation, implementation, or enforcement of the Settlement Agreement or any orders or
13 judgments of the Court entered into in connection therewith.
14

15
16 **THIS IS A RELEASE. READ CAREFULLY BEFORE SIGNING.**

17 **SIGNATURES**

18
19 **PLAINTIFF**

20 Dated:

21 _____
22 Paul Hernandez

23 **DEFENDANT**

24
25 Dated: Nov. 21, 2022

26 _____
27 Renna Bliss

28 Renna Bliss

On behalf of and an authorized
representative of United Facilities, Inc.

Exhibit A

CALIFORNIA SUPERIOR COURT, COUNTY OF STANISLAUS

Paul Hernandez v. United Facilities, Inc.

Case No. CV-21-004264

NOTICE OF SETTLEMENT

This is not a solicitation.

This is not a lawsuit against you and you are not being sued.

The California Superior Court, County of Stanislaus has granted approval of a settlement in the above-captioned action. Because your rights are affected by this Settlement, it is important that you read this Notice of Settlement (“Notice”) carefully. The purpose of this Notice is to provide a brief description of the claims alleged in the action and the key terms of the settlement.

WHAT INFORMATION IS IN THIS NOTICE

- | | |
|--|--------|
| 1. Why Have I Received This Notice?..... | Page 1 |
| 2. What Is This Case About? | Page 1 |
| 3. Who Are the Attorneys Representing the Parties? | Page 2 |
| 4. How Does This Settlement Affect My Rights? | Page 2 |
| 5. How Much Can I Expect to Receive From This Settlement? | Page 2 |
| 6. How Can I Obtain Additional Information or Court Documents? | Page 3 |

1. *Why Have I Received This Notice?*

United Facility, Inc.’s (hereinafter referred to as “Defendant”) records indicate that you worked for Defendant as a non-exempt, hourly paid employee in the State of California at some time between June 6, 2020 and December 31, 2022 (“PAGA Period”).

A settlement hearing was held on [date], in the California Superior Court, County of Stanislaus. The Court granted approval of the settlement. You are receiving this Notice to provide you with a brief description of the settlement and explain why you have received a settlement check.

2. *What Is This Case About?*

The action entitled *Paul Hernandez v. United Facilities, Inc.*, was commenced by Plaintiff Paul Hernandez (“Plaintiff”) in the Stanislaus County Superior Court (Case Number CV-21-004264).

On May 26, 2021, Plaintiff provided notice to the California Labor and Workforce Development Agency (“LWDA”) of the Private Attorneys General Act of 2004 (“PAGA”) violations he alleged against Defendant United Facilities, Inc. Plaintiff did not receive a response from the LWDA.

On August 10, 2021, Plaintiff filed a PAGA complaint in the Stanislaus Superior Court against Defendant. Plaintiff alleges that Defendant violated the California Labor Code by failing to pay all straight time wages, failing to pay all overtime wages, failing to provide lawful meal and rest periods, failing to provide accurate itemized wage statements, failing to pay all wages owed at termination, and failing to pay wages twice per month.

The Court has not made any determination as to whether the claims advanced by Plaintiff have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiff or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial. Defendant expressly denies that it did anything wrong or that they violated the law and further deny any liability whatsoever.

3. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiff Paul Hernandez	Attorneys for Defendant United Facilities, Inc.
MARA LAW FIRM, PC David Mara Matthew Crawford 2650 Camino Del Rio North, Suite 205 San Diego, CA 92108 Telephone: (619) 234-2833 Facsimile: (619) 234-4048	LEWIS BRISBOIS BISGAARD & SMITH LLP Vincent R. Fisher Johanna C. Templeton 633 W 5th Street, Suite 4000 Los Angeles, California 90071 Telephone: (213) 281-5235 Facsimile: (213) 250-7900

4. *How Does This Settlement Affect My Rights? What are the Released Claims?*

All persons who were employed by Defendant as non-exempt, hourly paid employees in the State of California at any time from June 6, 2020 to December 31, 2022 (referred to in this notice as “Aggrieved Employees”) release the Released Parties from the Released Claims, as defined below.

Released Parties: Defendant and any and all of its affiliated companies and its respective parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns.

Released Claims: All claims for civil penalties pursuant to PAGA, arising at any time during the PAGA Period alleged in the operative complaint and notice submitted to the LWDA, or that could have been alleged based on the facts pleaded.

5. *How Much Can I Expect to Receive From This Settlement?*

The total maximum amount that Defendant could be required to pay under this Agreement shall be no more than \$1,350,000 (“Gross Settlement Amount” or “GSA”). The “Net Settlement Amount” or “NSA” means the portion of the Gross Settlement Amount after the deduction of (1) the Enhancement Award to Plaintiff in an amount of \$10,000, for prosecution of the Action and a general release of all claims; (2) the Settlement Administration Costs to the Settlement Administrator in the amount of \$3,500; and (3) payment to Plaintiff’s Counsel in the amount of \$449,955 (33.33% of the Gross Settlement Amount) for attorneys’ fees and an amount of \$8,878.94 for litigation costs. All of these payments are subject to court approval.

After deducting the above-referenced items, the remaining Net Settlement Amount, will be divided 75% to the LWDA, pursuant to California Labor Code § 2699, subdivision (i), for enforcement of labor laws, including the

administration of this part, and for education of employers and employees about their rights and responsibilities under this code, to be continuously appropriated to supplement and not supplant the funding to the agency for those purposes; and 25% to the Aggrieved Employees. Therefore, the LWDA will receive \$658,249.54 and \$219,416.52 will be left for distribution to persons who were employed by Defendant as non-exempt, hourly paid employees in the State of California at any time from June 6, 2020 to December 31, 2022.

Each Aggrieved Employee will receive a proportionate share of the NSA that is equal to (i) the number of pay periods he or she worked for Defendant in California during the PAGA Period based on the Aggrieved Employee List provided by Defendant, divided by (ii) the total number of pay periods worked by all Aggrieved Employees based on the same Aggrieved Employee List, which is then multiplied by the NSA. One day worked in a given pay period will be credited as a pay period for purposes of this calculation. Therefore, the value of each Aggrieved Employee's Individual Settlement Share ties directly to the amount of pay periods that he or she worked.

The check included with this notice represents your settlement share based on this formula. For purposes of computing taxes, one-hundred percent (100%) of the amount of money you received is considered to be a civil penalty and has not been subjected to tax withholding.

It is strongly recommended that upon receipt of your Individual Settlement Share check, you immediately cash it or cash it before the **180-day** void date shown on each check. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than 180 days after issuance will be transmitted to Alliance for Children's Rights.

6. *How Can I Obtain Additional Information or Court Documents?*

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Plaintiff's Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll free. Please refer to the United Facilities Settlement.

PLEASE DO NOT CALL THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

Exhibit 2

Westlaw Court Express

LEGAL BILLING REPORT

VOLUME 14, NUMBER 3

December 2012

CA REGION

BY REGION, BY FIRM

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California Report

FIRM		GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Akin Gump Strauss Hauer & Feld LLP	Partner	1993	1993	CA	\$ 825.00	8.10	\$ 6,682.50
	David P. Simonds	1993	1993	CA	\$ 725.00	2.60	\$ 1,885.00
	Senior Counsel Edward P. Christian	1993	1993	CA	\$ 725.00	10.70	\$ 8,567.50
		TOTAL					
DLA Piper LLP	Partner	1989	1989	CA	\$ 790.00	0.60	\$ 474.00
	Nate McQuirk	1979	1979	CA	\$ 780.00	39.40	\$ 30,732.00
	Partner	1989	1989	CA	\$ 780.00	90.30	\$ 68,176.50
	Richard Yankovich	1989	1989	CA	\$ 780.00	90.30	\$ 68,176.50
	Partner	2000	2000	CA	\$ 705.00	1.30	\$ 916.50
	Ann Lawrence	2000	2000	CA	\$ 705.00	1.30	\$ 916.50
	Partner	1998	1998	CA	\$ 850.00	12.70	\$ 8,285.00
	Heather Dunn	1998	1998	CA	\$ 850.00	12.70	\$ 8,285.00
	Partner	2002	2002	CA	\$ 840.00	3.10	\$ 1,584.00
	Jeffrey D. Aaronson	2002	2002	CA	\$ 840.00	3.10	\$ 1,584.00
	Of Counsel	2004	2004	CA	\$ 630.00	170.00	\$ 107,100.00
	Ben Gipson	2004	2004	CA	\$ 630.00	170.00	\$ 107,100.00
	Associate	2008	2008	CA	\$ 510.00	67.00	\$ 34,170.00
Gibson Dunn & Crutcher, LLP	Associate	2011	2011	CA	\$ 470.00	1.80	\$ 846.00
	Diana M. Melzer	2011	2011	CA	\$ 470.00	1.80	\$ 846.00
	Associate	2000	2000	CA	\$ 400.00	4.10	\$ 1,640.00
	Thia Bhanthall	2000	2000	CA	\$ 400.00	4.10	\$ 1,640.00
		TOTAL					\$ 254,254.00
Gibson Dunn & Crutcher, LLP	Associate	2010	2010	CA	\$ 445.00	18.20	\$ 8,544.00
	Virginia Pitt	2010	2010	CA	\$ 445.00	18.20	\$ 8,544.00
	Associate	2011	2011	CA	\$ 395.00	12.60	\$ 4,977.00
	Matthew Bouslog	2011	2011	CA	\$ 395.00	12.60	\$ 4,977.00
		TOTAL					\$ 13,521.00

U.S.B.C New York Southern
Private Airline Corp (12-11343 REG)

From the fee application covering
July 1, 2012 through October 31, 2012

NLI Ranking: 40
Firm Size: 791

U.S.B.C Delaware
Trident Microsystems, Inc. (12-10083 CSS)

From the fee application covering
October 1, 2012 through October 31, 2012

NLI Ranking: 2
Firm Size: 3,348

U.S.B.C New York Southern
LightSquared, Inc (12-12080 SCC)

From the fee application covering
October 1, 2012 through October 31, 2012

NLI Ranking: 21
Firm Size: 1,039

California Report

FIRM

Kornfield, Nyberg, Bander & Kuhrer, P.C.,
Partner Eric A. Nyberg
Paraprofessional Nancy L. Nyberg

GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
1987	1987	CA	\$ 425.00	15.90	\$ 7,182.50
		CA	90.00	0.30	24.00
				17.20	\$ 7,206.50
TOTAL					

U.S.B.C California Northern
Hawrey LLP(41-34376-DJ)
From the fee application covering
August 1, 2012 through August 31, 2012
NJ Ranking: n/a
Firm Size: 3

Loeb & Loeb

Partner	Lance N. Jurich	1987	CA	\$ 695.00	1.50	\$ 1,320.50
Partner	Christopher W. Campbell	1999	CA	550.00	46.20	30,030.00
Associate	Ryan M. Audin	2007	CA	550.00	122.30	67,255.00
Associate	Jeanne C. Wanless	1993	CA	435.00	18.20	7,917.00
Paraprofessional	S. Steadman			280.00	0.20	52.00
TOTAL					182.30	\$ 105,584.50

U.S.B.C California Central
American Medical Technologies(8-12-12339-MW)
From the fee application covering
July 1, 2012 to September 30, 2012
NJ Ranking: 144
Firm Size: 301

Pachtulski Stang Ziehl Young Jones & Weintraub

Of Counsel	James K. T. Hunter	1976	CA	\$ 745.00	0.10	\$ 74.50
Partner	Samuel R. Matzel	1985	CA	725.00	40.90	29,652.50
Of Counsel	Jeffrey Kandell	1984	CA	615.00	0.50	307.50
Partner	Mahar S. Pagay	1997	CA	615.00	1.80	1,107.00
Partner	Scotta McFarland	1980	CA	615.00	47.80	29,397.00
Of Counsel	Mary Lane	1976	CA	595.00	3.80	2,261.00
Partner	Nina Hong	1995	CA	595.00	0.50	297.50
Associate	Teddy M. Kapur	2004	CA	495.00	8.40	4,158.00
Librarian	Leslie A. Forrester			295.00	1.10	324.50
Paraprofessional	Felice Harrison			275.00	23.00	6,325.00
TOTAL					127.90	\$ 73,904.50

U.S.B.C California Central
American Medical Technologies(8-12-12339-MW)
From the fee application covering
July 1, 2012 to July 31, 2012
NJ Ranking: n/a
Firm Size: 55

California Report

FIRM

Pedraza & Stang Ziehl Young Jones & Weintraub

	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Partner	1979	1979	CA	\$ 975.00	0.80	\$ 780.00
Partner	1982	1983	CA	\$ 875.00	12.80	\$ 11,200.00
Of Counsel	1975	1976	CA	\$ 745.00	4.00	\$ 2,980.00
Partner	1983	1983	CA	\$ 745.00	50.80	\$ 37,845.00
Partner	1983	1984	CA	\$ 725.00	11.10	\$ 8,047.50
Of Counsel	1987	1987	CA	\$ 675.00	15.80	\$ 10,452.50
Of Counsel	1987	1987	CA	\$ 595.00	5.20	\$ 3,094.00
Of Counsel	1980	1980	CA	\$ 575.00	4.30	\$ 2,472.50
Associate	2004	2010	CA	\$ 525.00	31.00	\$ 16,275.00
Paraprofessional				265.00	2.50	\$ 862.50
Paraprofessional				265.00	7.70	\$ 2,040.50
Paraprofessional				265.00	1.00	\$ 265.00
Case Management				185.00	5.40	\$ 993.00
Case Management				185.00	0.40	\$ 74.00
TOTAL					152.50	\$ 57,198.50

Paul Hastings LLP

Partner	1976	1976	CA	\$ 840.00	15.80	\$ 13,272.00
Of Counsel	1983	1983	CA	\$ 785.00	132.40	\$ 115,062.00
Associate	2006	2006	CA	\$ 615.00	31.10	\$ 19,126.50
Associate	2007	2008	CA	\$ 575.00	181.70	\$ 104,477.50
Associate	2009	2009	CA	\$ 485.00	87.10	\$ 42,343.50
Associate	2010	2010	CA	\$ 385.00	57.00	\$ 37,345.00
Associate	2010	2010	CA	\$ 385.00	160.20	\$ 81,577.00
TOTAL					725.30	\$ 393,203.50

Seyfarth Shaw LLP

Counsel	1996	1996	CA	\$ 580.00	2.40	\$ 1,832.00
Partner	1985	1985	CA	\$ 620.00	1.50	\$ 930.00
Counsel	1997	1997	CA	\$ 540.00	55.60	\$ 30,564.00
TOTAL					60.50	\$ 33,426.00

U.S.B.C Delaware
Tribune Microsystems, Inc. (12-10089 (CSS))

From the fee application covering
September 1, 2012 through September 30, 2012

NJ Ranking: n/a
Firm Size: 55

U.S.B.C New York Southern
AMR Corporation (11-15463 (SHL))

From the fee application covering
July 1, 2012 through July 31, 2012

NJ Ranking: 30
Firm Size: 851

U.S.B.C New York Southern
Grubb & Ellis Company (12-10085 (MG))

From the fee application covering
July 2, 2012 through October 31, 2012

NJ Ranking: 50
Firm Size: 733

California Report

FIRM Sidley Austin LLP

	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Partner	1995	1995	CA	\$ 875.00	18.10	\$ 12,217.50
Associate	2010	2010	CA	450.00	117.50	53,063.00
Associate	2011	2011	CA	355.00	41.00	14,555.00
TOTAL					177.00	\$ 79,827.50

U.S.B.C Delaware
Tribune Company, et al. (08-13144 FJCJ)

From the fee application covering
September 1, 2012 through September 30, 2012

NLI Ranking: 10
Firm Size: 1,592

Tenys LLP

Partner	1983	1983	CA	\$ 995.00	5.50	\$ 5,472.50
Partner	1974	1974	CA	995.00	0.40	398.00
Partner	1977	1977	CA	810.00	0.50	405.00
Associate	2008	2008	CA	695.00	21.10	14,564.50
Associate	2007	2007	CA	565.00	110.00	62,150.00
Associate	2008	2008	CA	500.00	0.50	250.00
Library				355.00	0.80	284.00
Law Clerk				395.00	43.90	13,389.50
Paraprofessional				250.00	28.20	7,332.00
Paraprofessional					210.90	\$ 104,345.50
TOTAL						

U.S.B.C Delaware
Nettel Networks Inc. (09-10139)

From the fee application covering
August 1, 2012 through October 31, 2012

NLI Ranking: n/a
Firm Size: 236

Westlaw Court Express

LEGAL BILLING REPORT

VOLUME 14, NUMBER 3

December 2012

CA REGION

BY BILLING RATE

California Rate Report

PROFESSIONAL	FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Partner	John Cameron	1983	1983	CA	\$ 995.00	5.50	\$ 5,472.50
Partner	Shelia Block	1974	1974	CA	\$ 995.00	0.40	388.00
Partner	Richard M. Pachulski	1979	1979	CA	\$ 975.00	0.80	780.00
Partner	Ira D. Kharasch	1982	1982	CA	\$ 875.00	12.80	11,200.00
Partner	J. A. Latham Jr.	1978	1978	CA	\$ 840.00	15.80	13,272.00
Partner	David P. Stronids	1983	1983	CA	\$ 825.00	9.10	6,682.50
Partner	Michael Rotszala	1977	1977	CA	\$ 810.00	0.50	405.00
Partner	Nate McKittick	1989	1989	CA	\$ 780.00	0.60	474.00
Partner	Richard Yankeiwich	1979	1979	CA	\$ 780.00	39.40	30,732.00
Partner	Ana Lawton	1989	1989	CA	\$ 785.00	50.30	68,176.50
Of Counsel	Jennifer S. Baldocchi	1983	1983	CA	\$ 765.00	152.40	115,062.00
Of Counsel	James K.T. Hunter	1976	1976	CA	\$ 745.00	0.10	74.50
Of Counsel	James K.T. Hunter	1976	1976	CA	\$ 745.00	4.00	2,980.00
Partner	John D. Fiero	1989	1989	CA	\$ 745.00	50.80	37,846.00
Senior Counsel	Edward P. Christian	1985	1985	CA	\$ 725.00	2.80	1,895.00
Partner	Samuel R. Malzel	1985	1985	CA	\$ 725.00	40.90	29,632.50
Partner	Bruce Grohschal	1983	1984	CA	\$ 725.00	11.10	8,077.50
Partner	Heather Dunn	2000	2000	CA	\$ 705.00	1.30	916.50
Partner	Lance N. Jurth	1987	1987	CA	\$ 695.00	1.90	1,320.50
Associate	Jessica Bullock	2003	2003	CA	\$ 695.00	21.10	14,684.50
Counsel	Ellen Sueda	1983	1983	CA	\$ 675.00	2.40	1,632.00
Of Counsel	Henry Hochman	1987	1987	CA	\$ 675.00	16.50	10,462.50
Partner	Max C. Fischer	1985	1985	CA	\$ 675.00	18.10	12,217.50
Partner	Jeffrey D. Karsonson	1988	1988	CA	\$ 650.00	12.70	8,255.00
Partner	Christopher W. Campbell	1989	1989	CA	\$ 650.00	46.20	30,030.00
Of Counsel	Ben Gibson	2002	2002	CA	\$ 640.00	3.10	1,984.00
Associate	Bertrand Pan	2004	2004	CA	\$ 630.00	170.00	107,100.00
Partner	Colleen M. Regan	1985	1985	CA	\$ 620.00	1.50	930.00
Of Counsel	Jeffrey Kamel	1984	1984	CA	\$ 615.00	0.50	307.50
Partner	Malhar S. Pargy	1984	1984	CA	\$ 615.00	1.60	1,107.00
Partner	Scott McFarland	1980	1980	CA	\$ 615.00	47.80	29,337.00
Associate	Melinda A. Gordon	2009	2009	CA	\$ 615.00	31.10	19,126.50
Of Counsel	Mary Lane	1976	1976	CA	\$ 595.00	3.90	2,261.00
Partner	Nina Hong	1986	1986	CA	\$ 595.00	0.90	535.50
Of Counsel	Gabriele Rohrer	1997	1997	CA	\$ 595.00	5.20	3,094.00

California Rate Report

PROFESSIONAL	FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Of Counsel	Pachulski Stang Ziehl Young Jones & Weintraub	1980	1980	CA	\$ 575.00	4.30	\$ 2,472.50
William Ramseyer	Paul Hastings LLP	2007	2008	CA	\$ 575.00	191.70	104,477.50
Robert E. Zivver	Tony's LLP	2007	2007	CA	\$ 555.00	110.00	62,150.00
Adam Siverts	Loeb & Loeb	2007	2007	CA	\$ 550.00	122.30	67,265.00
Ryan M. Aulich	Seyfarth Shaw LLP	1997	1997	CA	\$ 40.00	56.60	30,854.00
Holger Basch	Pachulski Stang Ziehl Young Jones & Weintraub	2004	2010	CA	\$ 525.00	31.00	16,275.00
John W. Lucas	DLA Piper LLP	2008	2008	CA	\$ 510.00	87.00	34,170.00
Diana M. Malzer	Tony's LLP	2008	2008	CA	\$ 500.00	0.50	250.00
Madhew Akoy	Pachulski Stang Ziehl Young Jones & Weintraub	2004	2008	CA	\$ 495.00	8.40	4,158.00
Teddy M. Kumar	Paul Hastings LLP	2009	2009	CA	\$ 485.00	87.10	42,243.00
Liam M. Paez	DLA Piper LLP	2011	2011	CA	\$ 470.00	1.80	846.00
Natasha Hsieh	Sidley Austin LLP	2010	2010	CA	\$ 450.00	117.50	53,055.00
Michael T. Gustafson	Gibson Dunn & Crutcher, LLP	2010	2010	CA	\$ 445.00	19.20	8,544.00
Virginia FRI	Loeb & Loeb	1993	1993	CA	\$ 435.00	18.20	7,917.00
Jeanne C. Wanlass	Kornfield, Nyberg, Bendes & Kuhner, P.C.	1987	1987	CA	\$ 425.00	16.90	7,182.50
Eric A. Nyberg	DLA Piper LLP	2000	2000	CA	\$ 400.00	4.10	1,640.00
Tina Bhattachal	Gibson Dunn & Crutcher, LLP	2011	2011	CA	\$ 395.00	12.60	4,577.00
Matthew Bourisog	Paul Hastings LLP	2010	2010	CA	\$ 385.00	97.00	37,545.00
Ji Hae Kim	Paul Hastings LLP	2010	2010	CA	\$ 385.00	160.20	61,677.00
Mario C. Ortega	Sidley Austin LLP	2011	2011	CA	\$ 355.00	41.00	14,555.00
Francis S. Lum	Tony's LLP	2000	2000	CA	\$ 305.00	0.80	264.00
Clare Mauro	Tony's LLP	2000	2000	CA	\$ 305.00	43.90	13,389.50
Bradley Tordick	Pachulski Stang Ziehl Young Jones & Weintraub	2000	2000	CA	\$ 285.00	1.10	324.50
Leslie A. Forrester	Pachulski Stang Ziehl Young Jones & Weintraub	2000	2000	CA	\$ 275.00	23.00	6,325.00
Paraprofessional Felicia Harrison	Pachulski Stang Ziehl Young Jones & Weintraub	2000	2000	CA	\$ 265.00	2.50	662.50
Paraprofessional Patricia Cuniff	Pachulski Stang Ziehl Young Jones & Weintraub	2000	2000	CA	\$ 265.00	7.70	2,040.50
Paraprofessional Louise Tuzchak	Pachulski Stang Ziehl Young Jones & Weintraub	2000	2000	CA	\$ 265.00	1.00	265.00
Paraprofessional Cheryl A. Krotz	Loeb & Loeb	2000	2000	CA	\$ 260.00	0.20	52.00
Paraprofessional S. Steadman	Tony's LLP	2000	2000	CA	\$ 260.00	28.20	7,352.00
Paraprofessional Dianna Rajah	Pachulski Stang Ziehl Young Jones & Weintraub	2000	2000	CA	\$ 185.00	5.40	595.00
Case Manager Sharita Filman	Pachulski Stang Ziehl Young Jones & Weintraub	2000	2000	CA	\$ 185.00	0.40	74.00
Case Manager Dina K. Whaley	Kornfield, Nyberg, Bendes & Kuhner, P.C.	2000	2000	CA	\$ 80.00	0.30	24.00
Paraprofessional Nancy L. Nyberg							

Exhibit 3

1 DEBRA L. HURST (SBN 106118)
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Additional Counsel Listed After Signature Page
Attorneys for Plaintiffs and the certified Class

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO, CENTRAL DIVISION

ADAM HOHNBAUM, ILLYA HAASE,
ROMEO OSORIO, AMANDA JUNE RADER,
and SANTANA ALVARADO and ROES 1
through 500, Inclusive on behalf of themselves
and all others similarly situated, and on behalf
of the general public,

Plaintiffs,

v.

BRINKER RESTAURANT CORPORATION,
BRINKER INTERNATIONAL, INC. and
BRINKER INTERNATIONAL PAYROLL
COMPANY, LP a Delaware Corporation; and
DOES 1 through 500, Inclusive

Defendants.

CASE NO.: GIC834348

CLASS ACTION

DECLARATION OF RICHARD M.
PEARL IN SUPPORT OF PLAINTIFFS'
UNOPPOSED MOTION FOR FINAL
APPROVAL AND OF CLASS ACTION
SETTLEMENT AND MOTION FOR
AWARD OF ATTORNEYS' FEES,
COSTS, CLASS REPRESENTATIVE
SERVICE PAYMENTS, AND CLAIMS
ADMINISTRATION EXPENSES

Date: December 12, 2014

Time: 1:30 p.m.

Dept.: C-69

Judge: Hon. Katherine A. Bacal

Complaint Filed: August 16, 2004

1 I, RICHARD M. PEARL, hereby declare the following:

2 1. I am a member in good standing of the California State Bar. I am in
3 private practice as the principal of my own law firm, the Law Offices of Richard
4 M. Pearl, in Berkeley, California. I specialize in issues related to court-awarded
5 attorneys' fees, including the representation of parties in fee litigation and
6 appeals, serving as an expert witness, and serving as a mediator and arbitrator in
7 disputes concerning attorneys' fees and related issues. In this case, I have been
8 asked by Plaintiffs' counsel to render my opinion on the reasonableness of the
9 hourly rates they are requesting in this matter. I make this Declaration in Support
10 of Plaintiffs' Motion for Award of Reasonable Attorneys' Fees.

11 **Professional Background**

12 1. Briefly summarized, my background is as follows: I am a 1969
13 graduate of Boalt Hall School of Law, University of California, Berkeley,
14 California. I took the California Bar Examination in August 1969 and passed it in
15 November of that year, but because I was working as an attorney in Atlanta,
16 Georgia for the Legal Aid Society of Atlanta (LASA), I was not admitted to the
17 California Bar until January 1970. I worked for LASA until summer of 1971,
18 when I then went to work in California's Central Valley for California Rural Legal
19 Assistance, Inc. (CRLA), a statewide legal services program. From 1977 to 1982,
20 I was CRLA's Director of Litigation, supervising more than fifty attorneys. In
21 1982, I went into private practice, first in a small law firm, then as a sole
22 practitioner. Martindale Hubbell rates my law firm "AV." I also have been
23 selected as a Northern California "Super Lawyer" in Appellate Law for 2005,
24 2006, 2007, 2008, 2010, 2011, 2012, 2013, and 2014. A copy of my current
25 Resume is attached hereto as Exhibit A.

26 2. Since 1982, my practice has been a general civil litigation and
27 appellate practice, with an emphasis on cases and appeals involving court-awarded
28 attorneys' fees. I also am the author of *California Attorney Fee Awards* (3d ed.

1 Cal. CEB 2010) and its February 2011, 2012, 2013, and March 2014 Supplements,
2 as well as all its previous editions and annual supplements. California appellate
3 courts have cited this treatise on more than 35 occasions. *See, e.g., Graham v.*
4 *DaimlerChrysler Corp.* (2004) 34 Cal.4th 553, 576, 584; *Lolley v. Campbell* (2002)
5 28 Cal.4th 367, 373; *Chacon v. Litke* (2010) 181 Cal.App.4th 1234, 1259; *Syers*
6 *Properties III, Inc. v. Rankin* (2014) 226 Cal.App.4th 691, 698, 700. I also have
7 lectured and written extensively on court-awarded attorneys' fees. I have been a
8 member of the California State Bar's Attorneys' Fees Task Force and have
9 testified before the State Bar Board of Governors and the California Legislature on
10 attorneys' fee issues. In addition, I authored a federal manual on attorneys' fees
11 entitled *Attorneys' Fees: A Legal Services Practice Manual*, published by the
12 Legal Services Corporation. I also co-authored the chapter on "Attorney Fees" in
13 Volume 2 of CEB's *Wrongful Employment Termination Practice*, 2d Ed. (1997).

14 3. More than 90% of my practice is devoted to issues involving court-
15 awarded attorneys' fees. I have been counsel in over 180 attorneys' fee
16 applications in state and federal courts, primarily representing other attorneys. I
17 also have briefed and argued more than 40 appeals, at least 25 of which have
18 involved attorneys' fees issues. I have successfully handled five cases in the
19 California Supreme Court involving court-awarded attorneys' fees: (1) *Maria P. v.*
20 *Riles* (1987) 43 Cal.3d 1281, a landmark early decision on the scope of California
21 Code of Civil Procedure section 1021.5; (2) *Delaney v. Baker* (1999) 20 Cal.4th
22 23, which held that heightened remedies, including attorneys' fees, are available in
23 suits against nursing homes under California's Elder Abuse Act; (3) *Ketchum v.*
24 *Moses* (2001) 24 Cal.4th 1122, which held, *inter alia*, that contingent risk
25 multipliers remain available under California attorney fee law, despite the United
26 States Supreme Court's contrary ruling on federal law (note that in *Ketchum*, I was
27 primary appellate counsel in the Court of Appeal and "second chair" in the
28 Supreme Court); (4) *Flannery v. Prentice* (2001) 26 Cal.4th 572, which held that in

1 the absence of an agreement to the contrary, statutory attorneys' fees belong to the
2 attorney whose services they are based upon; and (5) *Graham v. DaimlerChrysler*
3 *Corp.* (2004) 34 Cal.4th 553, which held, *inter alia*, that the "catalyst" theory was
4 still valid under California law despite federal Supreme Court authority to the
5 contrary. I also represented and argued on behalf of *amicus curiae* in
6 *Conservatorship of McQueen* (2014) 59 Cal.4th 602, and, along with Richard
7 Rothschild, filed an *amicus curiae* brief in *Vasquez v. State of California* (2009) 45
8 Cal.4th 243. I also have handled numerous other appeals involving attorney's fees,
9 including: *Davis v. City & County of San Francisco* (9th Cir. 1992) 976 F.2d 1536;
10 *Mangold v. CPUC* (9th Cir. 1995) 67 F.3d 1470; *Moore v. Bank of America* (9th
11 Cir. 2007) 245 Fed.Appx. 613; *Velez v. Wynne* (9th Cir. 2007) 2007
12 U.S.App.LEXIS 2194; *Camacho v. Bridgeport Financial, Inc.* (9th Cir. 2008) 523
13 F.3d 973; *Center for Biological Diversity v. County of San Bernardino* (2010) 185
14 Cal.App.4th 866; and *Environmental Protection Information Center v. California*
15 *Dept. of Forestry & Fire Protection et al* (2010) 190 Cal.App.4th 217. For an
16 expanded list of my representative decisions, see Exhibit A.

17 4. I also have been retained by various governmental entities, including
18 the State of California, at my then current rates to consult with them regarding their
19 affirmative attorney fee claims.

20 5. I am frequently called upon to opine about the reasonableness of
21 attorneys' fees, and numerous federal and state courts have cited my testimony on
22 that issue favorably. The reported cases referencing my testimony include the
23 following California appellate courts: *Laffite v. Robert Half Int'l* (2014)
24 __Cal.App.4th __, 2014 Cal.App.LEXIS 1059; *In re Tobacco Cases I* (2013) 216
25 Cal.App.4th 570; *Heritage Pacific Financial LLC v. Monroy* (2013) 215
26 Cal.App.4th 972, 1009; *Children's Hospital & Medical Center v. Bonta* (2002) 97
27 Cal.App.4th 740; *Wilkinson v. South City Ford* (2010) 2010 Cal.App.Unpub.
28 LEXIS 8680; *Church of Scientology v. Wollersheim* (1996) 42 Cal.App.4th 628

(anti-SLAPP case). My declaration also has been favorably referenced by the following federal courts: *Prison Legal News v. Schwarzenegger* (9th Cir. 2010) 608 F.3d 446, 455, in which the expert declaration referred to in that opinion is mine; *Antoninetti v. Chipotle Mexican Grill, Inc.* (9th Cir. 2012) Order filed Dec. 26, 2012; *In re TFT-LCD (Flat Panel) Antitrust Litigation* (N.D.Cal. 2013) No. M 07-1827 SI, MDL, No. 1827, Report and Recommendation of Special Master re Motions for Attorneys' Fees etc., filed Nov. 9, 2012, adopted in relevant part, 2013 U.S.Dist.LEXIS 49885; *Rosenfeld v. United States Dept. of Justice* (N.D. Cal. 2012) 904 F.Supp.2d 988; *Stonebrae v. Toll Bros.* (N.D. Cal. 2011) 2011 U.S.Dist.LEXIS 39832, at *9 (thorough discussion), *aff'd* (9th Cir. 2013) 2013 U.S.App.LEXIS 6369; *Hajro v. United States Citizenship & Immigration Service* (N.D.Cal 2012) 900 F.Supp.2d 1034, 1054; *Armstrong v. Brown* (N.D. Cal. 2011) 2011 U.S.Dist.LEXIS 87428; *Californians for Disability Rights, Inc. v. California Dept. of Transportation* (N.D. Cal. 2010) 2010 U.S.Dist.LEXIS 141030; *Prison Legal News v. Schwarzenegger* (N.D. Cal. 2008) 561 F.Supp.2d 1095 (an earlier motion); *Oberfelder v. City of Petaluma* (N.D. Cal. 2002) 2002 U.S.Dist.LEXIS 8635, *aff'd* (9th Cir. 2003) 2003 U.S.App.LEXIS 11371; *Bancroft v. Trizechahn Corp.*, C.D. Cal. No. CV 02-2373 SVW (FMOx), Order Granting Reasonable Attorneys' Fees etc., filed Aug. 14, 2006; *Willoughby v. DT Credit Corp.*, C.D. Cal. No. CV 05-05907 MMM (Cwx), Order Awarding Reasonable Attorneys' Fees After Remand, filed July 17, 2006; *A.D. v. California Highway Patrol* (N.D.Cal. 2009) 2009 U.S.Dist.LEXIS 110743, *rev's'd on other grounds* (9th Cir. 2013) 712 F.3d 446, *reaffirmed and additional fees awarded on remand* at 2013 U.S.Dist.LEXIS 169275; *National Federation of the Blind v. Target Corp.* (N.D.Cal. 2009) 2009 U.S.Dist.LEXIS 67139. In addition, numerous trial courts have relied upon my testimony in unpublished fee orders.

6. I also have extensive experience litigating the merits of class actions, including numerous housing, government benefits, and consumer class actions.

1 See, e.g., *Employment Dev. Dept. v. Superior Court (Boren)* (1981) 30 Cal.3d 256.

2 I also have represented Class Counsel on their fee requests in numerous highly-
3 contested class actions, including *Davis v. City & County of San Francisco, supra*,
4 *Duran v. First National Bank*, Alameda County Superior Court No. 2001-035537,
5 and *Molina, et al. v. Lexmark International, et al.*, Los Angeles County Superior
6 Court No. BC339177.

7 7. In this matter, I have reviewed several documents from the underlying
8 litigation and fee motion, including the entire Motion for Preliminary Approval, as
9 well as the declarations of Plaintiffs' principal counsel filed in support of the
10 instant motion. I also have discussed the case with class counsel Julie Corbo-
11 Ridley.

12 **PLAINTIFFS' ATTORNEYS' HOURLY RATES ARE**
13 **REASONABLE**

14 8. Through my writing and practice, I have become knowledgeable
15 about the non-contingent market rates charged by attorneys in California and
16 elsewhere. I have obtained this knowledge in several ways: (1) by handling
17 attorneys' fee litigation; (2) by preparing expert declarations in numerous cases;
18 (3) by discussing fees with other attorneys; (4) by obtaining declarations regarding
19 prevailing market rates in cases in which I represent attorneys seeking fees; and (5)
20 by reviewing attorneys' fee applications and awards in other cases, as well as
21 surveys and articles on attorneys' fees in the legal newspapers and treatises.

22 9. I am aware of the hourly rates being requested by Plaintiffs' attorneys
23 in this case, their experience and qualifications, the nature of the work performed,
24 and the results achieved. Under California law, Plaintiff's attorneys are entitled to
25 their requested rates if those rates are "within the range of reasonable rates charged
26 by and judicially awarded comparable attorneys for comparable work." *Children's*
27 *Hosp. & Med. Ctr. v. Bonta [CHMC]* (2002) 97 Cal.App.4th 740, 783. In my
28 opinion, the information about non-contingent hourly rates I have gathered, some

1 of which is summarized below, shows that the rates requested by Plaintiffs'
2 counsel in this matter are well within the range of the non-contingent market rates
3 charged by California and San Diego attorneys of reasonably comparable
4 experience, skill, and expertise for reasonably comparable services. I base that
5 opinion in large part on the following data:

6 **Court Awards**

7 10. Several of the Plaintiffs' law firms have had the hourly rates requested
8 here, or their equivalent rates in prior years, approved by the courts in other class
9 actions. For example, Hurst & Hurst's rates were found reasonable in *Serochi v.*
10 *Bosa Development California II, Inc., et al.*, San Diego Superior Court Case No.:
11 37-2009-00096686-CU-BT-CTL. Similarly, Ms. Lorens's 2012 rate of \$795/hour
12 was approved in November 2012 in *Hoch v. Rockin' Baja Coastal Cantina, et al.*,
13 San Diego Superior Court Case No. 37-2012-00095176-CU-OE-CTL/*Mojica v.*
14 *Rockin' Baja Coastal Cantina, et al.*, San Diego Superior Court Case No. 37-2012-
15 00091490-CU-OE-CTL. This is highly probative evidence of the reasonableness
16 of their rates in subsequent reasonably similar cases.

17 11. Counsel's rates are also consistent with the following court awards
18 from the Southern District of California¹:

19 (1) In *Hartless v. Clorox*, 273 F.R.D. 630, 644 (S.D. Cal. 2011), the
20 Court found, *inter alia*, that class counsel's requested rates were consistent with
21 the hourly rates found reasonable in numerous other class actions and with rates
22 charged by other firms in the San Diego area, including rates of \$795 per hour for a
23 25-year attorney and \$675 per hour for an experienced partner. 273 F.R.D. at 644.

24
25 ¹ In my experience, for purposes of the hourly rates charged and found reasonable by the courts,
26 the differences between types of class actions (i.e. wage and hour class actions versus consumer
27 class actions) are not significant, either factually or legally. See, e.g., *Heritage Pacific Financial,*
28 *LLC v. Monroy*, 215 Cal.App.4th 972, 1009 (2013); *Camacho v. Bridgeport Financial, Inc.*, 523
F.3d 973, 979 (9th Cir. 2008).

1 Given the rate increases that have occurred over the ensuing three years, counsel's
2 rates here are certainly within the same range.

3 (2) In *Shames v. Hertz Corp.*, 2012-2 Trade Case. (CCH) ¶78,120 (S.D.
4 Cal. 2012), the Court, relying on *Hartless*, found that plaintiffs' San Diego
5 Counsel there were comparable in skill and experience to the attorneys whose rates
6 were found reasonable in *Hartless*. At *59-61.

7 (3) In *Briarwood Capital LLC v. HCC Investors LLC*, San Diego
8 Superior Court No. GIC877446, on March 30, 2011, the court (Judge William R.
9 Nevitt Jr.) found that the 2009 hourly rates charged by the San Diego office of
10 Bernstein Litowitz Berger & Grossman LLP -- \$725 for partners, \$490-550 for
11 associates -- were reasonable.

12 (4) Similarly, in the same case, the court found that the 2009 rates
13 charged by the Century City office of O'Melveny & Myers LLP, including rates of
14 \$860-950 for a 36-37 year attorney and \$700-710 for 16-18 year attorneys also
15 were reasonable for San Diego litigation. Again, given the rate increases that have
16 occurred over the past three years, Plaintiffs' attorneys' current rates here are in the
17 same range as those found reasonable in *Briarwood Capital*.

18 (5) In *Atlas v. Accredited Home Lenders Holdings, Co.* Case No. 07-
19 CV-488-H-CAB (S.D. Cal. 2009), the court (Judge Marilyn Huff) found the 2009
20 rates charged by Bernstein Litowitz's San Diego office reasonable. Again, those
21 rates ranged from \$490 to \$550 for associates, and \$725 for a partner.

22 (6) In *In re Virgil's Tours*, Case No. 08-30659 (Bank. N.D. Cal. 2008),
23 the court found reasonable the 2008 rates requested by Morrison & Foerster LLP's
24 San Diego office. Those rates ranged from \$600 to \$675 for partners, from \$350 to
25 \$485 for associates, and from \$220 to \$245 for paralegals.

26 (7) In *Qualcomm, Inc. v. Broadcom, Inc.* Case No. 05-CV-1958-B,
27 2008 WL 2705161 (S.D. Cal. 2008), the court found the 2007 hourly rates
28 requested by Wilmer Cutler, Pickering, Hale & Dorr LLP reasonable for San

1 Diego-based litigation. Those rates ranged from \$45 to \$300 for staff and
2 Paralegals, from \$275 to \$505 for associates and counsel, and from \$435 to \$850
3 for partners.

4 12. In addition to local courts, the following hourly rates have been
5 found reasonable by various California courts for reasonably similar services:

6 **2014**

7 (1) *IPVX Patent Holdings, Inc. v. Voxernet LLC*, N.D. Cal. No.
8 5:13-CV-01708-HRL, a patent infringement case, in which the court found the
9 following hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
<u>2014</u>	
45	\$750
35	750
23	725
19	695
5	400
3	350
Paralegal	125
<u>2013</u>	
18	\$755
11	595
2	425
<u>2012</u>	
40	\$865
17	755
10	595
1	375

23 (2) *Doe v. United Healthcare Insurance Co., et al.*, C.D. Cal. No.
24 SACV 13-0864 DOC(JPRx), Order Granting Attorney's Fees and Costs, filed
25 October 15, 2014, a multi-Plaintiff consumer action, in which the court found the
26 following hourly rates reasonable:

<u>Whatley Kallas</u>	
<u>Years of Experience</u>	<u>Rate</u>
36	\$950

Whatley Kallas

<u>Years of Experience</u>	<u>Rate</u>
27	900
32	800
33	750
21	700
10	600
4	400
2	375
Paralegal	225
Intern	125

Consumer Watchdog

35	\$925
19	650
4	425

(3) *Rose v. Bank of America Corp.*, N.D. Cal. No. 5:11-CV-02390-EJD; 5:12 CV-04009-EJD, Order Granting Motion for Final Approval of Settlement; Granting in Part and Denying in Part Motion for Attorney's Fees and Costs, filed August 29, 2014, a consumer class action involving the Bank's loan servicing calls, in which the court found the following hourly rates reasonable:

Partners: \$775-350

Associates: \$525-325

(4) *Carpio v. California Department of Social Services, Los Angeles County Superior Court*, No. BS 135127, Order Granting Petitioner's Motion For Attorney's Fees, filed July 24, 2014, a government benefits writ of mandate, in which the court found the following hourly rates reasonable:

<u>Years</u>	<u>Rate</u>
39	\$750
35	730
13	500
8	460
6	440

(5) *Cornell v. City & County of San Francisco*, San Francisco County

1 Superior Court No. CGC-11-509240, Order Granting Motion for Reasonable
2 Attorneys' Fees, Subject to Modifications, filed May 15, 2014, an individual police
3 misconduct/employment action, in which the court found the following hourly
4 rates reasonable, plus a 1.25 lodestar multiplier for merits work:

<u>Years of Experience</u>	<u>Rate</u>
45	\$750
35	750
23	725
19	695
5	400
3	350
Paralegal	125

11 **2013 Rates**

12 (1) *Ellis v. Costco Wholesale Corp.*, N.D. Cal. No. C04-3341 EMC,
13 Order Granting Motion for Final Approval of Class Action Settlement, filed May
14 27, 2014, an employment class action, in which the court found the following
15 hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
38	\$700
35	825
30	650-825
29	875
19	725
9	500
8	460
7	425-575
6	435
3	315
Paralegals	155-295
Law Clerks	185-275

25 (2) *In re Pacific Bell Late Fee Litigation*, Contra Costa County Superior
26 Ct. No. MSC10-00840, Order Awarding Attorneys' Fees, Costs and Expenses and
27 Authorizing Payment of Incentive Award to the Class Representative, filed
28 October 18, 2013, a consumer class action, in which the court found the following

hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
17	\$850
16	680
11 (partner)	680
36	675
32	675
28 (assoc.)	620
4	400
3	390
Paralegals and Litigation Support	160-180

(3) *Reuters America LLC v. The Regents of the Univ. of Calif.*, Alameda County Superior Court No. RG12-613664, Order Granting in Part Motion of Petitioner for Attorneys' Fees filed May 2, 2013, reversed on the merits sub nom *Regents of U.C. v. Superior Court* (2014) 222 Cal.App.4th 383, a California Public Records Act action, in which the trial court found the following hourly rates reasonable, before applying a 1.3 lodestar multiplier:

<u>Years of Experience</u>	<u>Rate</u>
31	\$785
27	600
6	400

(4) *Recouvreur v. Carreon* (N.D. Cal. 2013) 940 F.Supp.2d 1063, a Lanham Act/ sanctions fee motion, in which the court found the following hourly rate reasonable:

<u>Years of Experience</u>	<u>Rate</u>
20+	\$700

2012 Rates

(1) *In re TFT-LCD (Flat Panel) Antitrust Litigation* (N.D.Cal. 2013) No. M 07 1827 SI, MDL, No. 1827, an antitrust class action, in which the court found the following hourly rates reasonable:

Zelle Hofman

<u>Bar Admission</u>	<u>Rate</u>
1967	\$1000
1978	861
2001	619
2002	525
2005	500
2006	472
2009	417

Steyer, Lowenthal et al.

<u>Bar Admission</u>	<u>Rate 2012</u>	<u>Rate 2011</u>	<u>Rate 2010</u>
1981	\$820	\$770	\$730
1995	660	640	590
2007	380	360	320
2008	380	360	320
1982	750	710	680
Paralegal	190		

Cooper & Kirkham

<u>Bar Admission</u>	<u>Rates 2010-2012</u>
1964	\$950
1975	825
2001	550

(2) *Rosenfeld v. United States Dept. of Justice* (N.D. Cal. 2012) 904 F.Supp.2d 988, a Freedom of Information Act action, in which the court found the following hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
28	\$700
21	550
1	200
Law students	160-180

(3) *Williams v. H&R Block Enterprises, Inc.*, Alameda County Superior Ct. No. RG08366506, Order of Final Approval and Judgment filed November 8, 2012, a wage and hour class action, in which the court found the following hourly

1 rates reasonable:

<u>Year of Bar Admission</u>	<u>Rate</u>
1970	\$785
1976	775
1981	750
1993	650-700
1994-1997	500-650
2004	500
2005	470
2006	445-475
2007	450
2008	400
2009	350

11 (4) *American Civil Liberties Union v. Drug Enforcement Administration*,
12 N.D. Cal. No. C-11-01977 RS, Order Granting Motion for Attorneys' Fees and
13 Litigation Costs Pursuant to 5 U.S.C. §552, filed November 8, 2012, a Freedom of
14 Information Act case, in which the court found the following hourly rates
15 reasonable:

<u>Year of Bar Admission</u>	<u>Rate</u>
1970	\$700
1996	595
1999	575
Law Clerks	150

20 (5) *Luquetta v. The Regents of the Univ. of California*, San Francisco
21 Superior Ct. No.CGC-05-443007, Order Granting Plaintiff's Motion for Common
22 Fund Attorneys' Fees and Expenses, filed October 31, 2012, a class action to
23 recover tuition overcharges, in which the court found the following hourly rates
24 reasonable:

<u>Year of Bar Admission</u>	<u>Rate</u>
1977	\$850
1986	785
1991	750
1994	700
1998	625

2000	570
2001	550
2002	520
Law Clerks	250
Paralegals	215

(6) *Davis v. Prison Health Services* (N.D. Cal. 2012) 2012 U.S. Dist. LEXIS 138556, an individual Fair Employment and Housing Act case, in which the court found the following hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
33	\$750
29	675
4	300
6	265

2011 Rates

(1) *Pierce v. County of Orange* (C.D. Cal. 2012) 905 F.Supp.2d 1017, a civil rights class action brought by pre-trial detainees, in which the court approved a lodestar, including appellate fees, based on the following 2011 rates:

<u>Years of Experience</u>	<u>Rate</u>
42	\$850
32	825
23	625
18	625
Law Clerks	250
Paralegals	250

(2) *Davis v. Prison Health Services* (N.D. Cal. 2012) 2012 U.S. Dist. LEXIS 138556, an individual Fair Employment and Housing Act case, in which the court found the following hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
33	\$750
29	675
4	300
6	265

(3) *Holloway et. al. v. Best Buy Co., Inc.* (N.D. Cal. 2011) No. 05-5056

1 PJH, Order dated November 9, 2011, a class action alleging that Best Buy
2 discriminated against female, African American and Latino employees by denying
3 them promotions and lucrative sales positions, in which the court approved a
4 lodestar award based on the following rates:

<u>Years of Experience</u>	<u>Rate</u>
37	\$825
Associates	
8	490
6	405
Law Clerks	225
Paralegals	215

10 (3) *Molina, et al. v. Lexmark International, et al.*, Los Angeles County
11 Superior Court No. BC339177, Order Granting Petitioners' Motion for Attorneys'
12 Fees and Costs in the Amount of \$5,722,008.07, filed October 28, 2011, *aff'd*
13 (2013) 2013 Cal.App.Unpub. LEXIS 6684, a class action to recover forfeited
14 vacation pay, in which the court found the following hourly rates reasonable
15 (before applying a 2.0 multiplier):

<u>Years of Experience</u>	<u>Rate</u>
42	\$675
25	550
24	655-675
23	625
20	550
17	600
9	475
6	350
Paralegals	210
Paralegals	210

23 **2010 Rates**

24 (1) *Californians for Disability Rights, Inc., et al. v. California*
25 *Department of Transportation, et al.* (N.D.Cal. 2010) 2010 U.S.Dist.LEXIS
26 141030, adopted by Order Accepting Report and Recommendation filed February
27 2, 2011, a disability-access class action, in which the court found the following
28

2010 hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
49	\$835
34	730
26	740
25	730
19	660
10	570
9	560
7	535
6	500
5	475
3	350
2	290
1	225-265
Senior Paralegals	265
Law Clerks	175
Case Clerks	165

Rate Information from Surveys

12. I also base my opinion on several credible surveys of legal rates, including the following:

- The 2014 *Laffey Matrix* is a survey of District of Columbia hourly rates that is often relied upon in other jurisdictions, with appropriate adjustments for differences in income levels, to determine reasonable hourly rates. See, e.g., *Syers Properties III, Inc. v. Rankin* (2014) 226 Cal.App.4th 691, 695. A copy of that survey is attached hereto as Exhibit B. It shows that for attorneys with 20+ years out of law school, the prevailing market in the period between June 1, 2013, and May 31, 2014 was \$771 per hour. For lawyers with 11-19 years out of law school, the prevailing rate for the same period was \$640 per hour. The difference in the Local Pay Tables for the Washington D.C. area and the San Diego-Carlsbad-San Marcos areas are de minimis -- .03%.

- 1 • On January 13, 2014, the National Law Journal published an article
2 about its most recent rate survey. That article included a chart listing
3 the billing rates of the 50 firms that charge the highest average hourly
4 rates for partners. A true and correct copy of that article is attached
5 hereto as Exhibit C. Of the 50 firms listed, several have offices in the
6 San Diego area and many others have significant litigation experience
7 in this area. And, although the rates that Plaintiffs' counsel are
8 requesting here are significantly *lower* than many of the rates charged
9 by the top 50 firms, the NLJ chart does show the *range* of rates
10 charged for similar services, which *is* the applicable standard. *See*
11 *CHMC*, 97 Cal.App.4th at 783.
- 12 • In an article entitled "On Sale: The \$1,150-Per Hour Lawyer,"
13 written by Jennifer Smith and published in the Wall Street Journal on
14 April 9, 2013, the author describes the rapidly growing number of
15 lawyers billing at \$1,150 or more revealed in public filings and major
16 surveys. A true and correct copy of that article is attached hereto as
17 Exhibit D. The article also notes that in the first quarter of 2013, the
18 50 top-grossing law firms billed their partners at an *average* rate
19 between \$879 and \$882 per hour.
- 20 • In an article published April 16, 2012, the Am Law Daily described
21 the 2012 Real Rate Report, an analysis of \$7.6 billion in legal bills
22 paid by corporations over a five-year period ending in December
23 2011. A true and correct copy of that article is attached hereto as
24 Exhibit E. That article confirms that the rates charged by experienced
25 and well-qualified attorneys have continued to rise over the five-year
26 period between 2006 and 2011, particularly in large urban areas. It
27 also shows, for example, that the top quartile of lawyers bill at an
28 *average* of "just under \$900 per hour."

Altshuler Berzon LLP**

Paralegals	215
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Arnold Porter LLP

<u>2013 Rates:</u>	Average Partner	\$815
	Highest Partner	950
	Lowest Partner	670
	Average Associate	500
	Highest Associate	610
	Lowest Associate	345

The Arns Law Firm LLP **

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	37	\$950
	Law Clerks	165

Bernstein Litowitz Borger & Grossman LLP
(San Diego Office) *, **

<u>2009 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	\$725
	Associates	490-550

Bingham McCutchen

<u>2013 Rates:</u>	Average Partner	\$795
	Highest Partner	1,080
	Lowest Partner	670
	Average Associate	450
	Highest Associate	605
	Lowest Associate	185

<u>2011 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	30	\$780

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	13	\$655
	4	480
	2	400

Blood Hurst & O'Reardon *, **

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	22	\$655
	17	585

Blood Hurst & O'Reardon*, **

6	510
5	410
1	305
Paralegals	260

Burson & Fisher**

<u>2013 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	16	\$680-850
	11	680
	4	400
	3	390
	2	375
	1	300
	Law Clerks	225
	Litigation Support Specialists	180

Chavez & Gertler*

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	33	\$750
	29	725
	32	675
	21	575
	11	535
	7	475
	Legal Assistant	185

<u>2011 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	32	\$725
	28	700
	10	550
	9	510
	5	425
	Paralegals	225

Coblentz Patch & Duffy

<u>2013 Rates:</u>	<u>Year of Bar Admission</u>	<u>Rate</u>
	1979	\$720
	1994	575
	2008	320
	Paralegals/Case Clerks	295

Cohelan Khoury & Singer

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	38	\$750
	28	750
	11	400
	Paralegal	170

Cooper & Kirkham

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	48	\$950
	37	825
	11	600

Covington Burling

<u>2013 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	28	\$750
	16	670
	14	670
	7	510
	2	375
	5	490
	Litigation Support	110-355

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	27	\$730
	15	632-650
	13	650

<u>2011 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	26	\$710
	14	640
	12	600
	9	565
	7	550
	5	425
	3	390
	1	320

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	25	\$710
	13	640
	11	575-600
	8	550-565

Covington Burling

6	525-550
4	390-425
2	350-390

Farella Braun & Martell LLP

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	31	\$715

Fenwick & West

<u>2014 Rates</u>	<u>Years of Experience</u>	<u>Rate</u>
	45	\$750
	35	750
	23	725
	19	695
	5	400
	3	350
	Paralegal	125
<u>2013 Rates</u>	18	\$755
	11	595
	2	425
<u>2012 Rates</u>	40	\$865
	17	755
	10	595
	1	375

Furth Firm LLP**

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	51	\$875
	39	750
	38	600
	33	775
	25	550
	23	650
	21	625
	19	610
	18	600
	17	585
	16	570
	15	560

Furth Firm LLP**

14	550
13	525
12	515
11	510
10	505
9	500
7	460
4	435
Law Clerks	125-260

Gibson Dunn & Crutcher LLP

<u>2013 Rates:</u>	Average Partner	\$980
	Highest Partner	1,800
	Lowest Partner	765
	Average Associate	590
	Highest Associate	930
	Lowest Associate	175

Goldstein, Borgen, Dardarian & Ho**

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	33	\$795
	27	750
	8	500
	4	395
	3	350
	1	300
	Law Clerks/Paralegals	160-250

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	42	\$785
	36	750
	31	700
	18	650
	Associates	
	7	470
	6	445
<u>2011 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	41	\$725
	35	725

Goldstein, Borgen, Dardarian & Ho**

30	700
24	650
18	600
17	600
16	550

2010 Rates:

Years of Experience Rate

Partners

40	\$700
34	700
29	675
23	625
17	575
16	575

Of Counsel

40	725
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Associates

15	\$500
11	440
6	375
5	365
4	355
3	340
2	325
1	305

Law Clerks

Paralegals	195
	150-225

Greenberg, Traurig, LLP

2010 Rates:

<u>Years of Experience</u>	<u>Rate</u>
22	\$850

Greines, Martin, Stein & Richland

2012 Rates:

<u>Years of Experience</u>	<u>Rate</u>
41	\$850
29	850
23	650
18	500
Law Clerks	100

**Hadsell, Stormer, Keeny, Richardson &
Renick****

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	38	\$825
	33	775
	22-23	625
	17	600
	12	525
	10	425
	4	275
	3	250

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	36	\$800
	31	750
	20-21	600
	15	575
	10	475-500
	8	425
	4	325
	2	275
	1	250

Hausfeld LLP**

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	45	\$985
	37	935-895
	15	610-510
	14	600
	7	490
	3	370
	Paralegals	300-320
	Law Clerks	325

Irell & Manella

<u>2013 Rates:</u>		
	Average Partner	\$890
	Highest Partner	975
	Lowest Partner	800
	Average Associate	535
	Highest Associate	750
	Lowest Associate	395

Janssen Malloy LLP

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	33	\$775
	Paralegals	175

Jones Day

<u>2013 Rates:</u>		
	Average Partner	\$745
	Highest Partner	975
	Lowest Partner	670
	Average Associate	435
	Highest Associate	775
	Lowest Associate	205

Kaye, McLane, Bednarski & Litt **

<u>2013 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	44	\$925
	27	725
	24	725
	7	525
	5	475

Keker & Van Nest, LLP

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	32	\$775
	Other Partners	525-975
	Associates	340-500
	Paralegals/Support Staff	120-260

Kemnitzer, Barron & Krieg

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	38	\$750
	32	750
	8	475
	3	350
	Senior Paralegal	250

Kiesel, Boucher, Larson LLP *, **

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	27-28	\$890

Kiesel, Boucher, Larson LLP *, **

Associates 625-325

Kingsley & Kingsley**

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	14	\$655
	8	475-515
	7	475
	6	485
	5	375
	3	350
	2	300

Kirkland & Ellis

<u>2013 Rates:</u>		
	Average Partner	\$825
	Highest Partner	995
	Lowest Partner	670
	Average Associate	540
	Highest Associate	715
	Lowest Associate	235

Knapp, Petersen & Clarke

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	36	\$753
	9	554
	6	383

Knobbe Martin Olson & Bear LLP

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	\$395-710
	Associates	285-450

Latham & Watkins

<u>2013 Rates:</u>		
	Average Partner	\$990
	Highest Partner	1,100
	Lowest Partner	670
	Average Partner	895
	Average Associate	605
	Highest Associate	725
	Lowest Associate	465

Lewis Feinberg Lee, Renaker & Jackson,
P.C.**

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	38	\$825
	29	750
	24	725
	21	700
	8	450
	7	425
	3	375
	Senior Paralegals	250
	Law Clerks	225

Litt, Estuar, & Kitson, LLP**

<u>2011 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	42	\$825
	18	625
	17	625
	5	425
	3	375
	Senior Paralegals	125-235
	Law Clerks	225

Manatt, Phelps & Phillips

<u>2013 Rates:</u>	<u>Average Partner</u>	<u>\$740</u>
	Highest Partner	795
	Lowest Partner	670
	Lowest Partner	640
<u>2010 Rates:</u>	Partners	525-850
	Associates	200-525

McKenna Long & Aldridge LLP

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	30	\$775
	9	650

McKenna Long & Aldridge LLP

5	420
Litigation Support Mgr.	350
Paralegals	225

Minami Tamaki LLP

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	36	\$750
	15	525
	5	395
	Paralegals	175

Morrison Foerster LLP

<u>2013 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Average Partner	\$865
	Highest Partner	1,195
	Lowest Partner	670
	Lowest Partner	595
	Average Associate	525
	Highest Associate	725
	Lowest Associate	230

<u>2011 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	22	\$775
	11	625
	10	620
	1	335

<u>2009 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	24	\$750

O'Melveny & Myers

<u>2013 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Average Partner	\$715
	Highest Partner	950
	Lowest Partner	615

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	12	\$695
	4	495

Patton Boggs

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
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Patton Boggs

Partners	
14	\$830
29	750
20	750
33	700
27	700
13	575
24	550
14	530
Of Counsel	
30	600
15	500
Associates	
9	450
7	425
3	340
2	315
Senior Paralegals	200-265
Paralegals	170

Pillsbury Winthrop Shaw Pittman LLP

<u>2013 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Average Partner	\$865
	Highest Partner	1,070
	Lowest Partner	670
	Average Associate	520
	Highest Associate	860
	Lowest Associate	375
<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	30	\$705-775
	Other Partners	595-965
	Associates	320-650
	Paralegals/Support Staff	85-380

Quinn Emanuel Urquhart & Sullivan

<u>2013 Rates:</u>	Average Partner	\$915
	Highest Partner	1,075
	Lowest Partner	810
	Average Associate	410

Quinn Emanuel Urquhart & Sullivan

Highest Associate	675
Lowest Associate	320

Reed Smith LLP

<u>2013 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partner	
	36	\$830
	30	805
	17	610-615
	14	570
	Associates	
	8	450-535
	6	495

Robbins Geller Rudman & Dowd LLP *, **

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	26	\$695
	19	575
	Associates	535-345
	Paralegals	295

Rosen, Bien, Galvan & Grunfeld LLP

<u>2013 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	51	\$875
	33	780
	29	660
	16	630
	Of Counsel	
	30	580
	Associates	
	20	550
	10	480
	9	465
	8	445-450
	7	440
	6	435
	5	405
	4	375

Rosen, Bien, Galvan & Grunfeld LLP

3	355
Paralegals	220-280
Litigation Support/ Paralegal clerk	170
Law Clerk/Students	250
Word Processing	80

2012 Rates:

Years of Experience **Rate**

Partners

50	\$860
32	760
28	640
15	610

Of Counsel

29	570
----	-----

Associates

19	540
10	470
9	460
7	400
6	400
5	380
4	360
3	340

Paralegals	215-280
------------	---------

Litigation Support/ Paralegal clerk	150
--	-----

Law Clerk/Students	240
--------------------	-----

Word Processing	80
-----------------	----

2011 Rates:

Years of Experience **Rate**

Partners

49	\$840
31	740
27	625
14	590

Of Counsel

28	540
----	-----

Associates

18	525
11	465
10	450

Rosen, Bien, Galvan & Grunfeld LLP

9	440
8	420
6	385
5	365
4	350
3	325
2	315
Paralegals	205-275
Litigation Support/ Paralegal clerk	140-220
Law Clerk/Students	225
Word Processing	75

2010 Rates:

Years of Experience Rate

Partners

48	\$800
30	700
26	575
13	560
Of Counsel	
27	520

Associates

17	510
13	490
9	430
8	415
7	390
5	360
3	325
1	285
Paralegals	200-275
Litigation Support/ Paralegal clerk	135-220
Law Clerk/Students	190
Word Processing	70

Rudy, Exelrod, Zieff & Lowe LLP

2010 Rates:

Years of Experience Rate

Partners

42	\$725
32	725

Rudy, Exelrod, Zieff & Lowe LLP

15	625
Associates	
21	495
13	485
8	450

**Schneider Wallace Cottrell Brayton Konecky
LLP****

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	13-22	\$750
	Associates/Of Counsel	575
	20	535-345
	37	295
	10-13	650
	0-3	350-475
	Paralegals/Law Clerks	135-300

**Schonbrun, DeSimone, Seplow, Harris &
Hoffman****

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	27	\$695
	22	630

Sheppard, Mullin, Richter & Hampton

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	\$495-820
	Associates	270-620

Sidley Austin

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	33	\$900
	Senior Partners	1,100
	Legal Assistants	120-280

Skadden, Arps, Slate, Meagher & Flom

<u>2013 Rates:</u>	<u>Average Partner</u>	<u>\$1,035</u>
	Highest Partner	1,150
	Lowest Partner	845

Skadden, Arps, Slate, Meagher & Flom

Average Associate	620
Highest Associate	845
Lowest Associate	340

Spiro Moore LLP**

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	30+	\$700
	17	600

Law Offices of Michael D. Thamer

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	31	\$775

Townsend and Townsend and Crew

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	\$470-475
	Associates	260-460

Wilson Sonsini Goodrich & Rosati PC

<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	28	\$875
	Other Partners	650-975
	Associates	290-610
	Paralegals/Litigation	120-300
	Support	

Zelle Hofmann Voelbel & Mason, LLP**

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	Up to \$950
	Associates	Up to \$540
	Paralegals	Up to \$290
	Law Clerks	Up to \$250
<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	Partners	
	38	\$800
	26	685
	23	650
	22	640
	Associates	
	9	500

1 **Zelle Hofmann Voelbel & Mason, LLP****

2	4	435
3	3	415
4	2	405
5	1	395
6	Paralegals	210-290

7 13. The declaration of San Diego attorneys Vincent J. Bartolotta and
8 Timothy Blood, filed with this motion, also support the rates requested here. All of
9 this evidence shows that Plaintiffs' requested rates are well within the range of
10 rates charged in this forum by comparably qualified and experienced attorneys for
11 comparably difficult work.

12 14. In my experience, fee awards are almost always determined based on
13 current rates, *i.e.*, the attorney's rate at the time a motion for fees is made, rather
14 than the historical rate at the time the work was performed. This is a common and
15 accepted practice to compensate attorneys for the delay in being paid. The hourly
16 rates set forth above are those charged where full payment is expected promptly
17 upon the rendition of the billing and without consideration of factors other than
18 hours and rates. If any substantial part of the payment were to be deferred for any
19 substantial period of time, for example, the fee arrangement would be adjusted
20 accordingly to compensate the attorneys for those factors.

21 15. If called as a witness, I could and would competently testify from my
22 personal knowledge to the facts stated herein. I declare under penalty of perjury
23 that the foregoing is true and correct. Executed this 25th day of November 2014, in
24 Berkeley, California.

25 

26 Richard M. Pearl

1 **ADDITIONAL COUNSEL FOR PLAINTIFFS AND THE CERTIFIED CLASS**

2 Timothy D. Cohelan (Bar No. 60827)

3 Michael D. Singer (Bar No. 115301)

4 COHELAN KHOURY & SINGER

5 605 "C" Street, Suite 200

6 San Diego, CA 92101

7 Telephone: (619) 595-3001

EXHIBIT A

RESUME OF RICHARD M. PEARL

RICHARD M. PEARL
LAW OFFICES OF RICHARD M. PEARL
1816 Fifth Street
Berkeley, CA 94710
(510) 649-0810
(510) 548-5074 (facsimile)
rpearl@interx.net (e-mail)

EDUCATION

University of California, Berkeley, B.A., Economics (June 1966)
Boalt Hall School of Law, Berkeley, J.D. (June 1969)

BAR MEMBERSHIP

Member, State Bar of California (admitted January 1970)
Member, State Bar of Georgia (admitted June 1970) (inactive)
Admitted to practice before all California State Courts; the United States Supreme Court; the United States Court of Appeals for the District of Columbia and Ninth Circuits; the United States District Courts for the Northern, Central, Eastern, and Southern Districts of California, for the District of Arizona, and for the Northern District of Georgia; and the Georgia Civil and Superior Courts and Court of Appeals.

EMPLOYMENT

LAW OFFICES OF RICHARD M. PEARL (April 1987 to Present): Civil litigation practice (AV rating), with emphasis on court-awarded attorney's fees, class actions, and appellate practice. Selected Northern California "Super Lawyer" in Appellate Law for 2005, 2006, 2007, 2008, 2010, 2011, 2012, 2013, and 2014.

QUALIFIED APPELLATE MEDIATOR, APPELLATE MEDIATION PROGRAM, Court of Appeal, First Appellate District (October 2000 to 2013) (program terminated).

ADJUNCT PROFESSOR, HASTINGS COLLEGE OF THE LAW (January 1988 to Present): Teach Public Interest Law Practice, a 2-unit course that focuses on the history, strategies, and issues involved in the practice of public interest law.

PEARL, McNEILL & GILLESPIE, Partner (May 1982 to March 1987): General civil litigation practice, as described above.

RICHARD M. PEARL

Page 2

CALIFORNIA RURAL LEGAL ASSISTANCE, INC. (July 1971 to September 1983) (part-time May 1982 to September 1983):

Director of Litigation (July 1977 to July 1982)

Responsibilities: Oversaw and supervised litigation of more than 50 attorneys in CRLA's 15 field offices; administered and supervised staff of 4-6 Regional Counsel; promulgated litigation policies and procedures for program; participated in complex civil litigation.

Regional Counsel (July 1982 to September 1983 part-time)

Responsibilities: Served as co-counsel to CRLA field attorneys on complex projects; provided technical assistance and training to CRLA field offices; oversaw CRLA attorney's fee cases; served as counsel on major litigation.

Directing Attorney, Cooperative Legal Services Center (February 1974 to July 1977) (Staff Attorney February 1974 to October 1975)

Responsibilities: Served as co-counsel on major litigation with legal services attorneys in small legal services offices throughout California; supervised and administered staff of four senior legal services attorneys and support staff.

Directing Attorney, CRLA McFarland Office (July 1971 to February 1974) (Staff Attorney July 1971 to February 1972)

Responsibilities: Provided legal representation to low income persons and groups in Kern, King, and Tulare Counties; supervised all litigation and administered staff of ten.

HASTINGS COLLEGE OF THE LAW, Instructor, Legal Writing and Research Program (August 1974 to June 1978)

Responsibilities: Instructed 20 to 25 first year students in legal writing and research.

CALIFORNIA AGRICULTURAL LABOR RELATIONS BOARD, Staff Attorney, General Counsel's Office (November 1975 to January 1976, while on leave from CRLA)

Responsibilities: Prosecuted unfair labor practice charges before Administrative Law Judges and the A.L.R.B. and represented the A.L.R.B. in state court proceedings.

ATLANTA LEGAL AID SOCIETY, Staff Attorney (October 1969 to June 1971)

Responsibilities: Represented low-income persons and groups as part of 36-lawyer legal services program located in Atlanta, Georgia.

RICHARD M. PEARL

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PUBLICATIONS

Pearl, *California Attorney Fee Awards, Third Edition* (Cal. Cont. Ed. Bar 2010) and February 2011, 2012, 2013, and 2014 Supplements

Pearl, *California Attorney Fee Awards, Second Edition* (Cal. Cont. Ed. Bar 1994), and 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, and 2008 Supplements

Graham v. DaimlerChrysler Corp. and *Tipton-Whittingham v. City of Los Angeles*, Civil Litigation Reporter (Cal. Cont. Ed. Bar Feb. 2005)

Current Issues in Attorneys' Fee Litigation, California Labor and Employment Law Quarterly (September 2002 and November 2002)

Flannery v. Prentice: Shifting Attitudes Toward Fee Agreements and Fee-Shifting Statutes, Civil Litigation Reporter (Cal. Cont. Ed. Bar Nov. 2001)

A Practical Introduction to Attorney's Fees, Environmental Law News (Summer 1995)

Wrongful Employment Termination Practice, Second Edition (Cal. Cont. Ed. Bar 1997) (co-authored chapter on "Attorney Fees")

California Attorney's Fees Award Practice (Cal. Cont. Ed. Bar 1982) (edited), and 1984 through 1993 Supplements

Program materials on attorney fees, prepared as panelist for CEB program on Attorneys' Fees: Practical and Ethical Considerations in Determining, Billing, and Collecting (October 1992)

Program materials on Attorney's Fees in Administrative Proceedings: California Continuing Education of the Bar, prepared as panelist for CEB program on Effective Representation Before California Administrative Agencies (October 1986)

Program materials on Attorney's Fees in Administrative Proceedings: California Continuing Education of the Bar, prepared as panelist for CEB program on Attorneys' Fees: Practical and Ethical Considerations (March 1984)

Settlers Beware/The Dangers of Negotiating Statutory Fee Cases (September 1985) Los Angeles Lawyer

Program Materials on Remedies Training (Class Actions), sponsored by Legal Services Section, California State Bar, San Francisco (May 1983)

RICHARD M. PEARL

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Attorneys' Fees: A Legal Services Practice Manual (Legal Services Corporation 1981)

PUBLIC SERVICE

Member, Attorneys' Fee Task Force, California State Bar

Chairperson, Board of Directors, California Rural Legal Assistance Foundation

REPRESENTATIVE REPORTED CASES

Alcoser v. Thomas

(2011) 2011 Cal.App.Unpub.LEXIS 1180

Boren v. California Department of Employment

(1976) 59 Cal.App.3d 250

Cabrera v. Martin

(9th Cir. 1992) 973 F.2d 735

Camacho v. Bridgeport Financial, Inc.

(9th Cir. 2008) 523 F.3d 973

Campos v. E.D.D.

(1982) 132 Cal.App.3d 961

Center for Biological Diversity v. County of San Bernardino

(2010) 185 Cal.App.4th 866

Committee to Defend Reproductive Rights v. A Free Pregnancy Center

(1991) 229 Cal.App.3d 633

David C. v. Leavitt

(D. Utah 1995) 900 F.Supp. 1547

Delaney v. Baker

(1999) 10 Cal.4th 23

Employment Development Dept. v. Superior Court (Boren)

(1981) 30 Cal.3d 256

Environmental Protection Information Center, Inc. v. Pacific Lumber Co.

(N.D. Cal. 2002) 229 F. Supp.2d 993, *aff'd* (9th Cir. 2004) 103 Fed. Appx. 627

Center for Biological Diversity

(2010)

Center for Biological Diversity

RICHARD M. PEARL

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Representative Reported Cases (cont.)

Flannery v Prentice

(2001) 26 Cal. 4th 572

Graham v. DaimlerChrysler Corp.

(2004) 34 Cal. 4th 553

Horsford v. Board of Trustees of Univ. of Calif.

(2005) 132 Cal.App.4th 359

Ketchum v. Moses

(2001) 24 Cal.4th 1122

Kievlan v. Dahlberg Electronics

(1978) 78 Cal.App.3d 951, cert. denied (1979)
440 U.S. 951

Lealao v. Beneficial California, Inc.

(2000) 82 Cal.App.4th 19

Lewis v. California Unemployment Insurance Appeals Board

(1976) 56 Cal.App.3d 729

Local 3-98 etc. v. Donovan

(N.D. Cal. 1984) 580 F.Supp. 714,
Aff'd (9th Cir. 1986) 792 F.2d 762

Mangold v. California Public Utilities Commission

(9th Cir. 1995) 67 F.3d 1470

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(1987) 43 Cal.3d 1281

Martinez v. Dunlop

(N.D. Cal. 1976) 411 F.Supp. 5,
aff'd (9th Cir. 1977) 573 F.2d 555

McQueen, Conservatorship of

(2014) 59 Cal.4th 602 (argued for *amici curiae*)

McSomebodies v. Burlingame Elementary School Dist.

(9th Cir. 1990) 897 F.2d 974

RICHARD M. PEARL

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Representative Reported Cases (cont.)

McSomebodies v. San Mateo City School Dist.
(9th Cir. 1990) 897 F.2d 975

Molina v. Lexmark International
(2013) 2013 Cal.App. Unpub. LEXIS 6684

Moore v. Bank of America
(9th Cir. 2007) 2007 U.S. App. LEXIS 19597

Moore v. Bank of America
(S.D. Cal. 2008) 2008 U.S. Dist. LEXIS 904

Mora v. Chem-Tronics, Inc.
(S.D. Cal. 1999) 1999 U.S. Dist. LEXIS 10752,
5 Wage & Hour Cas. 2d (BNA) 1122

Nadaf-Rahrov v. Nieman Marcus Group
(2014) 2013 Cal.App. Unpub. LEXIS 6975

Pena v. Superior Court of Kern County
(1975) 50 Cal.App.3d 694

Ponce v. Tulare County Housing Authority
(E.D. Cal 1975) 389 F.Supp. 635

Ramirez v. Runyon
(N.D. Cal. 1999) 1999 U.S. Dist. LEXIS 20544

Rubio v. Superior Court
(1979) 24 Cal.3d 93 (amicus)

Sokolow v. County of San Mateo
(1989) 213 Cal. App. 3d 231

S.P. Growers v. Rodriguez
(1976) 17 Cal.3d 719 (amicus)

Tongol v. Usery
(9th Cir. 1979) 601 F.2d 1091,
on remand (N.D. Cal. 1983) 575 F.Supp. 409,
revs'd (9th Cir. 1985) 762 F.2d 727

RICHARD M. PEARL

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(1976) 17 Cal.3d 671 (amicus)

United States (Davis) v. City and County of San Francisco

(N.D. Cal. 1990) 748 F.Supp. 1416, *aff'd in part*
and revs'd in part sub nom Davis v. City and County
of San Francisco (9th Cir. 1992) 976 F.2d 1536,
modified on rehearing (9th Cir. 1993) 984 F.2d 345

United States v. City of San Diego

(S.D.Cal. 1998) 18 F.Supp.2d 1090

Vasquez v. State of California

(2008) 45 Cal.4th 243 (amicus)

Velez v. Wynne

(9th Cir. 2007) 2007 U.S. App. LEXIS 2194

REFERENCES

Furnished upon request.

September 2014

Furnished upon request

10/1/2011

EXHIBIT B

LAFFEY MATRIX

History

Easy Link

Expert Opinion

See the Matrix

Contact us

Home

Link

Year	Adjustmt Factor**	Paralegal/ Law Clerk	Years Out of Law School *				
			1-3	4-7	8-10	11-19	20 +
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., McDowell v. District of Columbia, Civ. A. No. 00-594 (RCL), LEXSEE 2001 U.S. Dist. LEXIS 8114 (D.D.C. June 4, 2001); Salazar v. Dist. of Col., 123 F.Supp.2d 8 (D.D.C. 2000).

* "Years Out of Law School" is calculated from June 1 of each year, when most law students graduate. "1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). "4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of

practice. An attorney who graduated in May 1996 would be in tier "1-3" from June 1, 1996 until May 31, 1999, would move into tier "4-7" on June 1, 1999, and tier "8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

EXHIBIT C

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

The National Law Journal

January 13, 2014 Monday

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**THE NATIONAL
LAW JOURNAL**

Section: NLJ'S **BILLING SURVEY**; Pg. 1; Vol. 36; No. 20

Length: 1860 words

Byline: KAREN SLOAN

Body

As recently as five years ago, law partners charging \$1,000 an hour were outliers. Today, four-figure hourly rates for in-demand partners at the most prestigious firms don't raise eyebrows-and a few top earners are closing in on \$2,000 an hour.

These rate increases come despite hand-wringing over price pressures from clients amid a tough economy. But everrising standard billing rates also obscure the growing practice of discounts, falling collection rates, and slow march toward alternative fee arrangements.

Nearly 20 percent of the firms included in The National Law Journal's annual survey of large law firm billing rates this year had at least one partner charging more than \$1,000 an hour. Gibson, Dunn & Crutcher partner Theodore Olson had the highest rate recorded in our survey, billing \$1,800 per hour while representing mobile satellite service provider LightSquared Inc. in Chapter 11 proceedings.

Of course, few law firm partners claim Olson's star power. His rate in that case is nearly the twice the \$980 per hour average charged by Gibson Dunn partners and three times the average \$604 hourly rate among partners at NLJ 350 firms. Gibson Dunn chairman and managing partner Ken Doran said Olson's rate is "substantially" above that of other partners at the firm, and that the firm's standard rates are in line with its peers.

"While the majority of Ted Olson's work is done under alternative billing arrangements, his hourly rate reflects his stature in the legal community, the high demand for his services and the unique value that he offers to clients given his extraordinary experience as a former solicitor general of the United States who has argued more than 60 cases before the U.S. Supreme Court and has counseled several presidents," Doran said.

In reviewing billing data this year, we took a new approach, asking each firm on the NLJ 350-our survey of the nation's 350 largest firms by attorney headcount-to provide their highest, lowest and average billing rates for associates and partners. We supplemented those data through public records. All together, this year's survey includes information for 159 of the country's largest law firms and reflects billing rates as of October.

The figures show that, even in a down economy, hiring a large law firm remains a pricey prospect. The median among the highest partner billing rates reported at each firm is \$775 an hour, while the median low partner rate is \$405. For associates, the median high stands at \$510 and the low at \$235. The average associate rate is \$370.

Multiple industry studies show that law firm billing rates continued to climb during 2013 despite efforts by corporate counsel to rein them in. TyMetrix's 2013 Real Rate Report Snapshot found that the average law firm billing rate increased by 4.8 percent compared with 2012. Similarly, the Center for the Study of the Legal Profession at the Georgetown University Law Center and Thomson Reuters Peer Monitor found that law firms increased their rates by an average 3.5 percent during 2013.

Richard Pearl

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

Of course, rates charged by firms on paper don't necessarily reflect what clients actually pay. Billing realization rates-which reflect the percentage of work billed at firms' standard rates- have fallen from 89 percent in 2010 to nearly 87 percent in 2013 on average, according to the Georgetown study. When accounting for billed hours actually collected by firms, the realization rate falls to 83.5 percent.

"What this means, of course, is that- on average-law firms are collecting only 83.5 cents for every \$1.00 of standard time they record," the Georgetown report reads. "To understand the full impact, one need only consider that at the end of 2007, the collected realization rate was at the 92 percent level."

In other words, law firms set rates with the understanding that they aren't likely to collect the full amount, said Mark Medice, who oversees the Peer Monitor Index. That index gauges the strength of the legal market according to economic indicators including demand for legal services, productivity, rates and expenses. "Firms start out with the idea of, 'I want to achieve a certain rate, but it's likely that my client will ask for discounts whether or not I increase my rate,'" Medice said.

Indeed, firms bill nearly all hourly work at discounts ranging from 5 percent to 20 percent off standard rates, said Peter Zeughauser, a consultant with the Zeughauser Group. Discounts can run as high as 50 percent for matters billed under a hybrid system, wherein a law firm can earn a premium for keeping costs under a set level or for obtaining a certain outcome, he added. "Most firms have gone to a two-tier system, with what is essentially an aspirational rate that they occasionally get and a lower rate that they actually budget for," he said.

Most of the discounting happens at the front end, when firms and clients negotiate rates, Medice said. But additional discounting happens at the billing and collections stages. Handling alternative fee arrangements and discounts has become so complex that more than half of the law firms on the Am Law 100-NLJ affiliate The American Lawyer's ranking of firms by gross revenue-have created new positions for pricing directors, Zeughauser said.

THE ROLE OF GEOGRAPHY

Unsurprisingly, rates vary by location. Firms with their largest office in New York had the highest average partner and associate billing rates, at \$882 and \$520, respectively. Similarly, TyMetrix has reported that more than 25 percent of partners at large New York firms charge \$1,000 per hour or more for contracts and commercial work.

Washington was the next priciest city on our survey, with partners charging an average \$748 and associates \$429. Partners charge an average \$691 in Chicago and associates \$427. In Los Angeles, partners charge an average \$665 while the average associate rate is \$401.

Pricing also depends heavily on practice area, Zeughauser and Medice said. Bet-the-company patent litigation and white-collar litigation largely remain at premium prices, while practices including labor and employment have come under huge pressure to reduce prices.

"If there was a way for law firms to hold rates, they would do it. They recognize how sensitive clients are to price increases," Zeughauser said. But declining profit margins-due in part to higher technology costs and the expensive lateral hiring market-mean that firms simply lack the option to keep rates flat, he said.

BILLING SURVEY METHODOLOGY

The National Law Journal's survey of billing rates of the largest U.S. law firms provides the high, low and average rates for partners and associates.

The NLJ asked respondents to its annual survey of the nation's largest law firms (the NLJ 350) to provide a range of hourly billing rates for partners and associates as of October 2013.

For firms that did not supply data to us, in many cases we were able to supplement billing-rate data derived from public records.

In total, we have rates for 159 of the nation's 350 largest firms.

Richard Pearl

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

Rates data include averages, highs and low rates for partners and associates. Information also includes the average full-time equivalent (FTE) attorneys at the firm and the city of the firm's principal or largest office.

We used these data to calculate averages for the nation as a whole and for selected cities.

Billing Rates at the Country's Priciest Law Firms

Here are the 50 firms that charge the highest average hourly rates for partners.

Billing Rates at the Country's Priciest Law Firms

FIRM NAME	LARGEST AVERAGE		PARTNER ASSOCIATE		HOURLY HOURLY		AVERAGE HIGH		LOW AVERAGE HIGH		LOW	
	U.S. OFFICE*	FULL-TIME EQUIVALENT ATTORNEYS*	RATES	RATES	RATES	RATES	RATES	RATES	RATES	RATES	RATES	RATES
* Full-time equivalent attorney numbers and the largest U.S. office are from the NLJ 350 published in April 2013. For complete numbers, please see NLJ.com .												
** Firm did not exist in this form for the entire year.												
Debevoise & Plimpton	New York	615	\$1,055	\$1,075	\$955	\$490	\$760	\$120				
Paul, Weiss, Riffkind, Wharton & Garrison	New York	803	\$1,040	\$1,120	\$760	\$600	\$760	\$250				
Skadden, Arps, Slate, Meagher & Flom	New York	1,735	\$1,035	\$1,150	\$845	\$620	\$845	\$340				
Fried, Frank, Harris, Shriver & Jacobson	New York	476	\$1,000	\$1,100	\$930	\$595	\$760	\$375				
Latham & Watkins	New York	2,033	\$990	\$1,110	\$895	\$605	\$725	\$465				
Gibson, Dunn & Crutcher	New York	1,086	\$980	\$1,800	\$765	\$590	\$930	\$175				
Davis Polk & Wardwell	New York	787	\$975	\$985	\$850	\$615	\$975	\$130				
Willkie Parr & Gallagher	New York	540	\$950	\$1,090	\$790	\$580	\$790	\$350				
Cadwalader, Wickersham & Taft	New York	435	\$930	\$1,050	\$800	\$605	\$750	\$395				
Weil, Gotshal & Manges	New York	1,201	\$930	\$1,075	\$625	\$600	\$790	\$300				
Quinn Emanuel Urquhart & Sullivan	New York	697	\$915	\$1,075	\$810	\$410	\$675	\$320				
Wilmer Cutler Pickering Hale and Dorr	Washington	961	\$905	\$1,250	\$735	\$290	\$695	\$75				
Dechert	New York	803	\$900	\$1,095	\$670	\$530	\$735	\$395				
Andrews Kurth	Houston	348	\$890	\$1,090	\$745	\$528	\$785	\$265				
Hughes Hubbard & Reed	New York	344	\$890	\$995	\$725	\$555	\$675	\$365				
Irell & Manella	Los Angeles	164	\$890	\$975	\$800	\$535	\$750	\$395				
Proskauer Rose	New York	746	\$880	\$950	\$725	\$465	\$675	\$295				
White & Case	New York	1,900	\$875	\$1,050	\$700	\$525	\$1,050	\$220				

Richard Pearl

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

FIRM NAME	LARGEST U.S. OFFICE*	AVERAGE FULL-TIME EQUIVALENT ATTORNEYS*	PARTNER ASSOCIATE HOURLY HOURLY RATES RATES					
			AVERAGE	HIGH	LOW	AVERAGE	HIGH	LOW
Morrison & Foerster	San Francisco	1,010	\$865	\$1,195	\$595	\$525	\$725	\$230
Pillsbury Winthrop Shaw Pittman	Washington	609	\$865	\$1,070	\$615	\$520	\$860	\$375
Kaye Scholer	New York	414	\$860	\$1,080	\$715	\$510	\$680	\$320
Kramer Levin Naftalis & Frankel	New York	320	\$845	\$1,025	\$740	\$590	\$750	\$400
Hogan Lovells	Washington	2,280	\$835	\$1,000	\$705	-	-	-
Kasowitz, Benson, Torres & Friedman	New York	365	\$835	\$1,195	\$600	\$340	\$625	\$200
Kirkland & Ellis	Chicago	1,517	\$825	\$995	\$590	\$540	\$715	\$235
Cooley	Palo Alto	632	\$820	\$990	\$660	\$525	\$630	\$160
Arnold & Porter	Washington	748	\$815	\$950	\$670	\$500	\$610	\$345
Paul Hastings	New York	899	\$815	\$900	\$750	\$540	\$755	\$335
Curtis, Mallet-Prevost, Colt & Mosle	New York	322	\$800	\$860	\$730	\$480	\$785	\$345
Winston & Strawn	Chicago	842	\$800	\$995	\$650	\$520	\$590	\$425
Bingham McCutchen	Boston	900	\$795	\$1,080	\$220	\$450	\$605	\$185
Akin Gump Strauss Hauer & Feld	Washington	806	\$785	\$1,220	\$615	\$525	\$660	\$365
Covington & Burling	Washington	738	\$780	\$890	\$605	\$415	\$565	\$320
King & Spalding	Atlanta	838	\$775	\$995	\$545	\$460	\$735	\$125
Norton Rose Fulbright	N/A**	N/A**	\$775	\$900	\$525	\$400	\$515	\$300
DLA Piper	New York	4,036	\$765	\$1,025	\$450	\$510	\$750	\$250
Bracewell & Giuliani	Houston	432	\$760	\$1,125	\$575	\$440	\$700	\$275
Baker & McKenzie	Chicago	4,004	\$755	\$1,130	\$260	\$395	\$925	\$100
Dickstein Shapiro	Washington	308	\$750	\$1,250	\$590	\$475	\$585	\$310
Jenner & Block	Chicago	432	\$745	\$925	\$565	\$465	\$550	\$380
Jones Day	New York	2,363	\$745	\$975	\$445	\$435	\$775	\$205
Manatt, Phelps & Phillips	Los Angeles	325	\$740	\$795	\$640	-	-	-
Seward & Kissel	New York	152	\$735	\$850	\$625	\$400	\$600	\$290
O'Melveny & Myers	Los Angeles	738	\$715	\$950	\$615	-	-	-
McDermott Will & Emery	Chicago	1,024	\$710	\$835	\$525	-	-	-
Reed Smith	Pittsburgh	1,468	\$710	\$945	\$545	\$420	\$530	\$295
Dentons	N/A**	N/A**	\$700	\$1,050	\$345	\$425	\$685	\$210
Jeffer Mangels Butler & Mitchell	Los Angeles	126	\$690	\$875	\$560	-	-	-
Sheppard, Mullin,	Los Angeles	521	\$685	\$875	\$490	\$415	\$535	\$275

Richard Pearl

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

FIRM NAME	LARGEST AVERAGE		PARTNER ASSOCIATE					
	U.S. OFFICE*	FULL-TIME EQUIVALENT ATTORNEYS*	HOURLY RATES	HOURLY RATES				
			AVERAGE	HIGH	LOW	AVERAGE	HIGH	LOW
Richter & Hampton	Angeles							
Alston & Bird	Atlanta	805	\$675	\$875	\$495	\$425	\$575	\$280

THE FOUR-FIGURE CLUB

These 10 firms posted the highest partner billing rates.

Gibson, Dunn & Crutcher	\$1,800
Dickstein Shapiro	\$1,250
Wilmer Cutler Pickering Hale and Dorr	\$1,250
Akin Gump Strauss Hauer & Feld	\$1,220
Kasowitz, Benson, Torres & Friedman	\$1,195
Morrison & Foerster	\$1,195
Skadden, Arps, Slate, Meagher & Flom	\$1,150
Baker & McKenzie	\$1,130
Bracewell & Giuliani	\$1,125
Paul, Weiss, Rifkind, Wharton & Garrison	\$1,120

THE FOUR-FIGURE CLUB

Contact Karen Sloan at ksloan@alm.com

SATELLITE TECHNOLOGY (67%); SUPREME COURTS (63%)

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The Firms

April 16, 2012 5:20 PM

When It Comes to Billing, Latest Rate Report Shows the Rich Keep Getting Richer

Posted by Sara Randazzo

Hourly rates just keep rising—and the best-paid lawyers are raising their rates faster than everyone else.

Those are two of the key findings contained in the [2012 Real Rate Report](#), an analysis of \$7.6 billion in legal bills paid by corporations over a five-year period ending in December 2011. The report, released Monday, is the second such collaboration between TyMetrix, a company that manages and audits

legal bills for corporate legal departments, and the Corporate Executive Board.

Many of the new rate report's findings echo those contained in the 2010 study, including the fact that rates keep going up, almost across the board, and that the cost of a given matter can vary dramatically depending on a law firm's size and location and its relationship with a particular client.

At the same time, this year's study shows that the legal sector is becoming increasingly bifurcated, with top firms raising rates faster than those at the bottom of the market and large firms charging a premium price based purely on their size.

"What it's really showing is that there's an increased premium being paid for experience and expertise," says Julie Peck, vice president of strategy and market development at TyMetrix. "Some parts of the lawyer market are able to raise rates much more quickly, and are more impervious to economic forces than others."

To compile the current rate report, TyMetrix received permission from its clients to examine legal fees billed to 62 companies across 17 industries including energy, finance, retail, technology, insurance, and health care. The bills, which represent the amount actually paid by the companies in question rather than the amount initially charged, came from more than 4,000 firms in 84 metropolitan areas around the country. Every firm on the 2011 Am Law 100 is represented in the data.

The report's key data points include:

A Widening Gap: Hourly rates charged by lawyers in the legal sector's upper echelon grew faster between 2009 and 2011 than those charged by lawyers toiling on the lower rungs. Particularly striking was the jump in associate rates billed by those falling in the report's top quartile: 18 percent on average, to just over \$600 per hour. Rates billed by top quartile partners, meanwhile, rose 8 percent, to just under \$900 per hour. In the bottom quartile, associate rates rose 4 percent and partner rates rose 3 percent during the same period.

The Recession's (Minor) Toll: Even amid the economic downturn, the cost of an hour of a lawyer's time continued to rise faster than key measures of inflation. That said, the legal industry wasn't completely immune to the broader economy's slowdown. After rising 8.2 percent between 2007 and 2008, hourly rates rose just 2.3 percent in 2009. Law firms bounced back a bit last year, with rates climbing 5.1 percent, to an average of \$530 an hour.

Location Counts: Not surprisingly, lawyers working in major metropolitan areas—where, as the rate report notes, rents are typically higher—are the priciest. An address in Boston, Chicago, Los Angeles, San Francisco, or Washington, D.C., alone adds about \$161 to the hourly rate charged by an individual lawyer. Those six cities and Baltimore, Houston, Philadelphia, and San Jose are the ten U.S. markets with the highest hourly rates. With an average partner rate topping \$700 per hour and average associate rate of more than \$450 per hour, New York is the most expensive market in the country. The least expensive? Riverside, California, where the average partner bills at under \$250 per hour and associates bill at just over \$300 an hour.

In the Minority: A small group of lawyers—12 percent—bucked the trend toward higher fees and actually lowered rates between 2009 to 2011—and 3 percent trimmed rates by \$50 or more per hour. (Most of those in the rate-cutting camp were based outside the big six markets identified above.) At the other end of the spectrum, 52 percent of lawyers increased rates by between \$25 and \$200 or more per hour. Another 18 percent increased rates by less than \$25 per hour, and the final 18 percent held rates steady.

First-Year Blues: Even before the recession hit, clients balked at paying for what they considered on-the-job training for first-year associates. The latest rate report is likely to reinforce that reluctance, given its finding that using entry-level lawyers adds as much as 20 percent to the cost of a legal matter. The report offers evidence that firms may be accommodating clients on this front: The percentage of bills attributed to entry-level associates dropped from 7 percent in 2009 to 2.9 percent last year.

Ties That Bind: The more work one firm handles for a client—and the longer the client relationship extends—the higher the average rate the firm charges. For companies that paid one firm \$10 million or more in a single year, the average hourly rate paid was \$553 in 2011. By comparison, clients that limited their spending on an individual firm to \$500,000 paid that firm an average of \$319 per hour.

Four-Digit Frontier: Data has consistently shown that many lawyers hesitate to charge more than \$1,000 an hour, and in 2011 just under 3 percent of the lawyers covered by the rate report had broken that barrier. Of those, the vast majority were working in the six main legal markets identified above and 60 percent of the time, they billed in increments of one hour or less.

Playing Favorites: Across all practice areas, 90 percent of lawyers charged different clients different rates for similar types of work. (The figure for mergers and acquisitions lawyers was 100 percent.) The differences from client to client can be extreme, and were even more pronounced in the current report than in the 2010 edition. Rates charged by intellectual property specialists, for instance, had a median variance of 23.1 percent, while lawyers doing commercial and contract work showed a 18.7 percent median difference.

Who's Doing What? A closer look at law firm bills for work performed on litigation and intellectual property assignments shows that the kind of timekeeper billing on a matter varies by practice type. On patent matters, the report shows, 47 percent of hours billed on average are attributed to paralegals, and 37 percent by partners. By comparison, paralegals account for just 8 percent of the work done on labor and employment litigation hours, while partners handle 45 percent.

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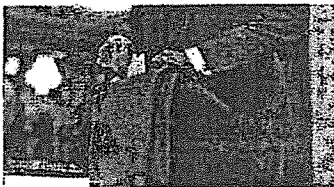
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By JENNIFER SMITH

Top partners at leading U.S. law firms are charging more than ever before, yet those hourly rates aren't all they appear to be.



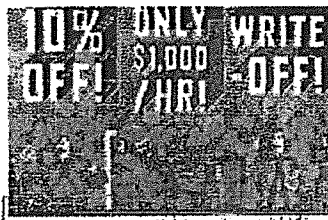
Top partners at leading U.S. law firms are charging more than ever — routinely \$1,150 or more an hour — but after discounts and write-offs the nosebleed rates aren't all they appear to be. Jennifer Smith reports. Photo: Getty Images.

Having blown past the once-shocking price tag of \$1,000 an hour, some sought-after deal, tax and trial lawyers are commanding hourly fees of \$1,150 or more, according to an analysis of billing rates compiled from public filings.

But, as law firms boost their standard rates, many are softening the blow with widespread discounts and write-offs, meaning fewer clients are paying full freight. As a result, law firms on

average are actually collecting fewer cents on the dollar, compared with their standard, or "rack," rates, than they have in years.

Think of hourly fees "as the equivalent of a sticker on the car at a dealership," said legal consultant Ward Bower, a principal at Altman Weil Inc. "It's the beginning of a negotiation.... Law firms think they are setting the rates, but clients are the ones determining what they're going to pay."



James Kobaczewski

the firm's database billed at that level in the first quarter of 2013, up from 158 a year earlier.

Star lawyers still can fetch a premium, and some of them won't budge on price. The number of partners billing \$1,150-plus an hour has more than doubled since this time last year, according to Valeo Partners, a consulting firm that maintains a database of legal rates pulled from court filings and other publicly disclosed information. More than 320 lawyers in

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That glided circle includes tax experts such as Christopher Roman of King & Spalding LLP and Todd Maynes of Kirkland & Ellis LLP, intellectual-property partner Nader A. Mousavi of Sullivan & Cromwell LLP, and deal lawyers such as Kenneth M. Schneider of Paul, Weiss, Rifkind, Wharton & Garrison LLP.

Those lawyers and their firms either declined to comment or didn't reply to requests for comment.

When corporate legal departments need a trusted hand to fend off a hostile takeover or win a critical court battle, few general counsels will nitpick over whether a key lawyer is charging \$900 an hour or \$1,150 an hour. But for legal matters where their future isn't on the line, companies are pushing for—and winning—significant price breaks.

"We almost always negotiate rates down from the rack rates," said Randal S. Milch, general counsel for phone giant Verizon Communications Inc. [VZ +0.29%] The result, he said, is a "not-insignificant discount."

For the bread-and-butter work that many big law firms rely on, haggling has become the norm. Many clients grew accustomed to pushing back on price during the recession and continue to demand discounts.

Some companies insist on budgets for their legal work. If a firm billing by the hour exceeds a set cap, lawyers may have to write off some of that time.

Other clients refuse to work with firms who don't discount, lopping anywhere from 10% to 30% off their standard rates. Some may grant rate increases to individual partners or associates they deem worthy. Another tactic: locking in prices with tailored multiyear agreements with formulas governing whether clients grant or refuse a requested rate increase.

In practical terms, that means the gap between law firms' sticker prices and the amount of money they actually bill and collect from their clients is wider than it has been in years.

According to data collected by Thomson Reuters Peer Monitor, big law firms raised their average standard rate by about 9.3% over the past three years. But they weren't able to keep up on the collection side, where the increase over the same period was just 6%. Firms that used to collect on average about 92 cents for every dollar of standard time their lawyers worked in 2007, before the economic downturn, now are getting less than 85 cents. "That's a historic low," said James Jones, a senior fellow at the Center for the Study of the Legal Profession at Georgetown Law.

To be sure, things have certainly picked up some since the recession, when some clients flat-out refused to pay rate increases.

In the first quarter of 2013, the 50 top-grossing U.S. law firms boosted their partner rates by as much as 5.7%, billing on average between \$879 and \$882 an hour, according to Valeo Partners. Rates for junior lawyers, whose labors have long been a profit engine for major law firms, jumped even more.

While some clients resisted using associate lawyers during the downturn, refusing to pay hundreds of dollars an hour for inexperienced first- or second-year attorneys, the largest U.S. law firms have managed to send the needle back up again. This year, for the first time, the average rate for associates with one to four years of experience rose to \$500 an hour, according to Valeo.

The increases continue the upward trend of 2012, when legal fees in general rose 4.8% and associate billing rates rose by 7.4%, according to a coming report by TyMetrix Legal Analytics, a unit of Wolters Kluwer, [WKL.AE +0.95%] and CEB, a research and advisory-services company. Those numbers are based on legal-spending data from more than 17,000 law firms.

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More than a dozen leaders at major law firms declined to discuss rate increases on the record, though some said privately that the increase in associate rates could be caused in part by step increases as junior lawyers gain in seniority.

Joe Sims, an antitrust partner at Jones Day and former member of the firm's partnership committee, said clients don't mind paying for associates, as long as they feel they are getting their money's worth.

Sophisticated clients, he said, tend to focus on the overall price tag for legal work, not on individual rates. "They are more concerned about how many people are working on the project and the total cost of the project," Mr. Sims said. "Clients want value no matter who is on the job."

While a handful of elite lawyers have successfully staked out the high end—the deal teams at Wachtell, Lipton, Rosen & Katz, for example—legal experts say that client pressure to control legal spending means most law firms must be considerably more flexible on price.

"There will always be some 'bet the company' problem where a client will not quibble about rates," said Mr. Jones, the Georgetown fellow. "Unfortunately, from the law firms' standpoint, that represents a small percentage of the work."

Write to Jennifer Smith at jennifer.smith@wsj.com

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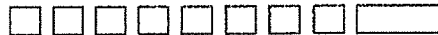
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Exhibit 4

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U.S. DEPARTMENT OF AGRICULTURE

[illegible]

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000-770-087

Exhibit 5

SUMMARY OF TIME AND COSTS
Paul Hernandez v. United Facilities, Inc.
Stanislaus County Superior Court Case No. CV-21-004264

Hours: 444
Lodestar Fees: \$ 303,950.00
Costs: \$ 8,878.94

As of 12/27/2022

FIRM/ ATTORNEYS	YEAR ADMITTED	HOURS	HOURLY RATE	TOTAL
MARA LAW FIRM, PC				
David Mara	2004 (18)	239	\$800	\$191,200.00
Matthew Crawford	2016 (6)	205	\$550	\$112,750.00
MARA LAW FIRM, PC TOTAL:		444		\$303,950.00

LITIGATION EXPENSES	
MARA LAW FIRM, PC	\$8,878.94
TOTAL COSTS	\$8,878.94

Paul Hernandez v. United Facilities, Inc.
Stanislaus County Superior Court Case No. CV-21-004264

Costs Summary

Attorney Service:	\$	68.00
Court Fees:	\$	729.36
Mediation:	\$	4,975.00
Legal & Factual Investigation	\$	155.52
Postage:	\$	1.06
Experts:	\$	2,950.00

TOTAL COSTS	\$	8,878.94
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