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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN FRANCISCO

COORDINATION PROCEEDING SPECIAL TITLE [RULE 3.550] ALTUM SENIOR LIVING WAGE AND HOUR CASES Included actions: *Valdies vs. Altum Senior Living, LLC, et al.,* Superior Court of California, County of San Diego, Case No. 37-2021-00032142 *Ortiz vs. Altum Senior Living, LLC*, Superior Court of California, County of San Francisco, Case No. CGC-21-595150.	Judicial Council Coordination Proceeding No.: CJC-22-005258 [Assigned to: Hon Jeffrey S. Ross, Dept. 606] **CLASS ACTION** **DECLARATION OF BENJAMIN H. HABER IN SUPPORT OF PLAINTIFFS' MOTION FOR ATTORNEYS' FEES, COSTS AND REPRESENTATIVE ENHANCEMENT AWARDS** PRELIMINARY APPROVAL HEARING Date: October 31, 2025 Time: 3:00 p.m. Dept: 606

DECLARATION OF BENJAMIN H. HABER

I, Benjamin H. Haber, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiff Paloma Ortiz Cruz ("Plaintiff"). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiffs' Motion for Attorneys' Fees, Costs and Representative Enhancement Awards.

CASE BACKGROUND

2. This is a coordinated wage and hour class action that was first initiated in 2021. Plaintiffs and other putative class members worked in California as hourly-paid or non-exempt employees for Defendants Altum Senior Living ("Altum") and Crescendo Senior Living LLC ("Crescendo," collectively with Altum, "Defendants," and together with Plaintiffs, the "Parties") during the class period. Defendants are a senior living operations and management company that provides independent living, assisting living, memory support, and respite care.

3. On September 10, 2021, Plaintiff Ortiz filed a Class Action Complaint in the Superior Court of California for the County of San Francisco, Case No. CGC-21-595150 ("*Ortiz* Action").

4. Plaintiffs allege that Defendants violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiffs, the Class Members, and Aggrieved Employees by, *inter alia*, failing to pay all overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment and upon termination of employment, failing to provide compliant wage statements, and failing to reimburse necessary business expenses. Plaintiffs contend that they and other employees are entitled to unpaid wages, penalties, and attorneys' fees. Defendants have denied, and continued to deny, any liability and wrongdoing of any kind associated with any of the allegations in the Litigation.

5. On September 16, 2022, Defendants filed a Petition for Coordination and Request for Order Staying Proceedings. Defendants sought to coordinate the *Valdies* Action with the *Ortiz* Action and designate the San Francisco County Superior Court as the situs for the coordinated actions, which the Court granted on December 7, 2022, thereby commencing the above-captioned lawsuit (together with the *Valdies* Action and *Ortiz* Action are referred to as "Litigation").

6. The Parties subsequently agreed to engage in a global mediation involving the *Valdies* Action and the *Ortiz* Action. In advance of the mediation, Defendant produced additional documents through an informal discovery exchange, which included all of Defendant's relevant policy documents in effect during the class period and a randomized sampling of timekeeping and payroll records for the class members that included 16,169 shifts (or approximately 20% of all shifts during the class period) for Plaintiffs' counsel and expert to analyze. When entered into a sample size calculator, the number of shifts in the sampling indicated a 0.94% margin of error on a 99% confidential interval. Plaintiffs' expert analyzed the data, which allowed Plaintiffs' counsel to make a reasonable and informal assessment of the risks that both Parties would face at class certification and trial.

7. On December 8, 2022, the Parties participating in a formal, full-day mediation conducted by Honorable Daniel Buckley (Ret.), a well-regarded mediator with extensive experience overseeing complex wage-and-hour matters in Los Angeles Superior Court. With the aid of the mediator's evaluation and after months of extensive settlement negotiations, the Parties initially reached a proposed settlement for Defendants to pay $450,000 to resolve the Litigation in its entirety.

8. On August 17, 2023, Plaintiffs filed a Motion for Preliminary Approval of Class Action Settlement ("Original MPA") and supporting documents seeking approval of the settlement reached by the Parties following the December 8, 2022 mediation. Plaintiffs then submitted supplemental briefing in support of the Original MPA on or around October 18, 2023 and January 29, 2024 in order to respond to the Court's guidance regarding issues related to the settlement terms. On March 11, 2024, the Court issued an Order Denying Plaintiff's Motion for Preliminary Approval of Class Action Settlement.

9. Based on the Court's guidance, the Parties negotiated and executed a subsequent settlement agreement, which Plaintiffs presented to the Court by way of their Renewed Motion for Preliminary Approval of Class Action Settlement ("Renewed MPA") that was filed on April 22, 2024. Plaintiffs also submitted supplemental briefing in support of the Renewed MPA on or around June 10, 2024 to respond to additional guidance from the Court related to the settlement terms. On July 3, 2024, the Court issued an Order Denying Plaintiff's Renewed MPA ("July 2024 Order").

10. After considering the feedback provided by the Court in connection with the prior proposed settlements, the Parties engaged in further negotiations and discussions regarding the Court's concerns, the strength and weaknesses of Plaintiff's claims, and Defendant's defenses. The settlement negotiations were always at arm's length and, although conducted in a professional manner, were adversarial. After extensive negotiations and further discussions regarding the Court's prior concerns, the Parties entered into the Fifth Amended Class and PAGA Action Settlement (the "Settlement Agreement"). The primary changes to Settlement Agreement include the following:

i. The Gross Settlement Amount is increased by 15% (from $450,000 to $517,500);

ii. The Class Period is narrowed to only cover claims up through the date of mediation (i.e., December 8, 2022) as opposed to the date of preliminary approval, thus providing greater recovery on a per workweek basis;

iii. The requested attorneys' fees are lowered to an amount not to exceed 25% of the Gross Settlement Amount (as opposed to 33 1/3%); and

iv. The requested enhancement awards are lowered to an amount not to exceed $5,000 (as opposed to $7,500).

11. On June 11, 2025, the Court granted Plaintiffs' Second Renewed Motion for Preliminary Approval.

<u>ENHANCEMENT AWARD FOR PLAINTIFF IS REASONABLE</u>

12. Class Counsel represent that Plaintiff Ortiz devoted a great deal of time and work assisting counsel in the case, communicated with counsel very frequently for litigation and to

prepare for mediation, and was frequently in contact with Class Counsel during the mediation. Plaintiff's requested enhancement award is reasonable particularly in light of the substantial benefits Plaintiff generated for all class members. Additionally, Plaintiffs have no conflict with each other, have agreed to a joint prosecution agreement with Class Counsel, and have litigated this case, along with their counsel, diligently and with dedication.

13. Throughout this Litigation, Plaintiff Ortiz, who is a former employee of Defendant, has cooperated immensely with my office and has taken many actions to protect the interests of the class. Plaintiff provided valuable information regarding the off-the-clock, meal period, and rest period claims. Plaintiff also informed my office of developments and information relevant to this action, participated in decisions concerning this action, made herself available to answer questions during the mediation, and provided my office with the names and contact information of potential witnesses in this action. Before we filed this case, Plaintiff provided my office with documents regarding the claims alleged in this action. The information and documentation provided by Plaintiff was instrumental in establishing the wage and hour violations alleged in this action, and the recovery provided for in the Settlement Agreement would have been impossible to obtain without Plaintiff's participation.

14. At the same time, Plaintiff faced many risks in adding herself as the class representative in this matter. Plaintiff faced actual risks with her future employment, as putting herself on public record in an employment lawsuit could also very well affect her likelihood for future employment. Furthermore, as part of this Settlement, Plaintiffs are executing a general release of all claims against Defendants, which other Settlement Class Members are not subject to.

15. In turn, class members will now have the opportunity to participate in a settlement, reimbursing them for alleged wage violations they may have never known about on their own or been willing to pursue on their own. If these class members would have each tried to pursue their legal remedies on their own, that would have resulted in each having to expend a significant amount of their own monetary resources and time, which were obviated by Plaintiff putting herself on the line on behalf of these other class members.

16. In the final analysis, this class action would not have been possible without the aid

of Plaintiff, who put her own time and effort into this Litigation, sacrificed the value of her own individual claims, and placed herself at risk for the sake of the class members. The requested enhancement award for Plaintiff Ortiz for her service as the class representative and for her general release of all individual claims is a relatively small amount of money when the time and effort put into the Litigation are considered and in comparison to enhancements granted in other class actions. The requested incentive award is therefore reasonable to compensate Plaintiff for her active participation in this lawsuit.

THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

17. The Settlement provides for attorney's fees payable to Class Counsel in an amount up to 25% of the Settlement Amount, for a maximum fees award of $129,375.00, plus actual costs and expenses not to exceed $25,000.00. The proposed award of attorneys' fees to Class Counsel in this case can be justified under either method – lodestar or percentage recovery. Class Counsel, however, intend to base the proposed award of fees, costs and expenses on the percentage method as many of the entries in the time records will have to be redacted to preserve attorney-client and attorney work product privileges.

18. The total current lodestar for Wilshire Law Firm, PLC is not less than the following:

Person	**Role**	**Hours**	**Rate**	**Lodestar**
Benjamin H. Haber	Partner	53.6	$800	$042,880
Chase Stern	Associate Attorney	16.5	$650	$10,725
Justin F. Marquez[1]	Former Senior Partner	10	$1,500	$15,000
Total:		**80.1**		**$68,605**

19. Class Counsel on behalf of Plaintiff Ortiz has spent over 80 hours, for a lodestar of $68,605 litigating this Action to bring it to resolution, not including time which will be expended monitoring the administration of the settlement and distribution of funds to the Class Members.

[1] As described below, Justin F. Marquez is no longer with Wilshire Law Firm, PLC as of December 2024. I have conservatively estimated at least 10 hours of work by Mr. Marquez on this matter that I can personally corroborate, which includes, but is not limited to, assisting with the complaint, participating in numerous meetings regarding the case and case strategy, assisting with the mediation materials and mediation brief, and attending the mediation.

The efforts expended by Plaintiffs' counsel to achieve this result include, but are not limited to, the following:

a. the investigation of the matter, including meeting with Plaintiff Ortiz, reviewing Defendant's policies, and requesting and reviewing Plaintiff's time and pay records, personnel files, and exploring the corporate structure of Defendant;

b. filing the Action;

c. attending status conferences and meeting and conferring with Defendant regarding the case;

d. meeting and conferring with Defendant regarding mediation, exchange of informal discovery beforehand, and negotiating with opposing counsel regarding the parameters thereof;

e. meeting and conferring with counsel for Plaintiff Valdies regarding the addition of their case to the global mediation;

f. selecting a mediator and mediation date;

g. working with opposing counsel and an expert consultant for the receipt of a representative sampling and analyzing the same with the aid of expert consultant and Plaintiffs to perform analyses of liability and exposure prior to attendance of the mediation in this matter;

h. working with a forensic accountant to review financial-related documents produced by Defendant;

i. reviewing policy documents from Defendant and researching applicable defenses;

j. drafting the mediation brief and damages model for use at mediation;

k. attendance at mediation by all Parties and Counsel;

l. communicating with Plaintiff Oritz who frequently requested updates or other information regarding this matter;

m. engaging in settlement negotiations, followed by finalizing and fully executing the initial settlement agreement;

n. preparing an amended complaint to include all Parties and claims;

o. drafting the motion for preliminary approval and supporting documents;

p. engaging in subsequent negotiations with all Parties regarding multiple amended settlement agreements and class notices;

q. drafting supplemental briefings in support of the motion for preliminary approval;

r. drafting the second renewed motion for preliminary approval and supporting documents;

s. communicating with the Settlement Administrator to ensure the Class Notice was properly distributed and engaging in extensive follow-up communications with the Settlement Administrator regarding class members who sought additional information about the Settlement; and

t. assisting in preparing the instant Motion for Attorneys' Fees, Costs, and Representative Enhancement Awards.

20. There are additional hours devoted by me (and by my former colleagues) to this litigation that are not reflected in Class Counsel's request for attorney's fees.

21. We can provide additional billing records in the event the Court requests them, but would request the opportunity to redact attorney-client privileged information and any other privileged information.

22. I am informed and believe that the fee and costs provision is reasonable. The fee percentage requested is less than that charged by my office for most employment cases. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome.

23. I am informed and believe that the fee and costs provision is reasonable. The fee percentage requested is less than that charged by my office for most employment cases. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome.

24. It is further estimated that my office will need to expend at least another 15 to 30 hours to monitor the process leading up to the final approval and payments made to the class. My office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

25. The risk to my office has been very significant, particularly if we would not be successful in pursuing this class action. In that case, we would have been left with no compensation for all the time taken in litigating this case. Indeed, I have taken on a number of class action cases that have resulted in thousands of attorney hours being expended and ultimately having certification denied or the defendant company going bankrupt. The contingent risk in these types of cases is very real and they do occur regularly. Furthermore, we were precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

26. Because most individuals cannot afford to pay for representation in litigation on an hourly basis, Wilshire Law Firm, PLC represents virtually all of its employment law clients on a contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm, PLC is taking the risk that we will not be reimbursed for our time unless our client settles or wins his or her case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, all we are to receive is our regular hourly rate for services. It is essential that we recover more than our regular hourly rate when we win if we are to remain in practice so as to be able to continue representing other individuals in civil rights employment disputes.

27. As of the drafting of this motion, my office has incurred at least $17,346.27 in expenses litigating this action, and we anticipate accruing additional costs up to Final Approval of the Settlement. These expenses were reasonably necessary to the litigation and were actually incurred by my office. Accordingly, Wilshire Law Firm respectfully requests reimbursements of $17,346.27 in expenses, which should be reimbursed in full. Attached as **Exhibit 1** is a list of the costs and the categories of costs for the costs incurred in this case to date by Wilshire Law Firm, PLC.

MY EXPERIENCE AND QUALIFICATIONS

28. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms for every year since 2020 and is comprised of over 100 attorneys and over 600 employees. Wilshire Law Firm, PLC is actively and continuously practicing in employment litigation, representing employees in both individual and class actions

in both state and federal courts throughout California.

29. Wilshire Law Firm, PLC is qualified to handle this Litigation because its attorneys are experienced in litigating Labor Code violations in both individual, class action, and representative action cases. Wilshire Law Firm, PLC has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as class actions involving consumer rights and data privacy litigation.

30. I am a Partner at Wilshire Law Firm. I graduated from the University of California, Los Angeles, in 2012 and received my Juris Doctor from the University of California, Hastings College of the Law (now the University of California College of Law, San Francisco) in 2016. During law school, I was a member of the executive board for the *Hastings Law Journal;* a student mediator at the San Francisco Superior Court, Small Claims Division; and a managing editor for *SCOCAblog,* which continues to be a leading online publication for analysis regarding trends and cases before the California Supreme Court. Since graduating from law school, I have focused my legal work primarily on wage-and-hour litigation and have helped obtain dozens of class settlements on behalf of tens of thousands of workers in California. I was selected as a "Southern California Rising Star" in 2024 and 2025.

31. I have been appointed as class counsel in numerous wage-and-hour cases throughout California. Below is a non-exhaustive list of cases where I was appointed as class counsel or myself and other members of my firm were appointed as class counsel:

a. *Colter v. Propulsion Controls Engineering*, San Diego County, Case No. 37-2020-00030682-CU-OE-CTL; Motion for Final Approval granted on October 28, 2022.

b. *Rodriguez v. Modesto Restaurant Group, LLC*, Stanislaus County, Case No. CV-21-000269; Motion for Final Approval granted on January 10, 2023.

c. *Kingsbury v. Caravan Foods II, Inc.*, Alameda County, Case No. RG21096357; Motion for Final Approval granted on January 31, 2023.

d. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No. MSC20-01916; Motion for Final Approval granted on March 3, 2023.

e. *Varez v. Valley Connection, LLC dba Carl's Jr.*, Merced County, Case No. 22CV-

00985; Motion for Final Approval granted on April 27, 2023.

f. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987; Motion for Final Approval granted on May 3, 2023.

g. *Ortiz v. Tara Materials, Inc.*, San Diego County, Case No. 37-2021-0001473-CU-OE-CTL; Motion for Final Approval granted on May 30, 2023.

h. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-2021-00293739-CU-OE-GDS; Motion for Final Approval granted on May 30, 2023.

i. *Garduno v. New Generation Framing, Inc., et al.*, Stanislaus County, Case No. CV-21-000544; Motion for Final Approval granted on August 11, 2023.

j. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No. 21CECG03817; Motion for Final Approval granted on August 21, 2023.

k. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No. CIVSB2118622; Motion for Final Approval granted on September 13, 2023.

l. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261; Motion for Final Approval granted on October 17, 2023.

m. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion for Final Approval granted on November 2, 2023.

n. *Gutierrez v. Next Level Door & Millwork, Inc.*, Riverside County, Case No. CVRI2105455; Motion for Final Approval granted on January 11, 2024.

o. *Lupercio v. Western CNC, Inc.*, San Diego County, Case No. 37-2021-00010314-CU-OE-CTL; Motion for Final Approval granted on January 26, 2024.

p. *Jackson, et al. v. Apple Valley Communications, Inc.*, *et al.*, San Bernardino County, Case No. CIVSB2124721; Motion for Final Approval granted on February 1, 2024.

q. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520; Motion for Final Approval granted on February 22, 2024.

r. *Canton, et al v. John B. Sanfilippo & Sons, Inc.*, Merced County, Case No. 22-CV-01145; Motion for Final Approval granted on March 15, 2024.

s. *Williams v. Total Longterm Care, Inc., et al.*, San Bernardino County, Case No.

CIVSB2213347; Motion for Final Approval granted on April 2, 2024.

t. *Espinoza v. Delallo's Italian Foods, Inc.*, Butte County, Case No. 21CV02640; Motion for Final Approval granted on April 24, 2024.

u. *Meza v. Argus Management Company, LLC*, *et al.*, Los Angeles County, Case No. 21STCV31612; Motion for Final Approval granted on May 20, 2024.

v. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951; Motion for Final Approval granted on July 11, 2024.

w. *Abarca-Rueda, et al. v. Foley Family Wines, Inc., et al.*, Sonoma County, Case No. S-CV-268148; Motion for Final Approval granted on August 21, 2024.

x. *Aguilar v. American Pasteurization Company, Inc., et al.*, Sacramento County, Case No. 34-2021-00312027-CU-OE-GDS; Motion for Final Approval granted on September 3, 2024.

y. *Hayes, et al. v. Gonzales Park, LLC, et al.*, Butte County, Case No. 21CV02456; Motion for Final Approval granted on May 1, 2024.

z. *Barajas Maya v. United Facilities Group, Inc., et al.*, Santa Clara County, Case No. 22CV397353; Motion for Final Approval granted on November 22, 2024.

aa. *Arias v. The Shyft Group GTB, LLC, et al.,* Los Angeles County, Case No.22STCV37390; Motion for Final Approval granted on December 3, 2024.

bb. *Hernandez v. KW California, et al.*, Kern County, Case No. BCV-23-100346; Motion for Final Approval Granted on December 4, 2024.

32. The reasonableness of my firm's hourly rates is also supported by several surveys of legal rates, including the following:

a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the real market rates of Los Angeles area attorneys who practice litigation. For that category, the third quartile 2022 rate was $1,045 per hour for partners and $855 for associates. Likewise, page 32 of the Report describes the rates charged by 183 Los Angeles partners with "21 or more years of experience" and "Fewer than 21 years." For those categories, the third quartile Los Angeles partner rate in 2022 were $1,133 per hour for 21 or more years and $1,075 for attorneys with fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate Report is attached hereto as **Exhibit 2.**

b. In an article entitled "Big Law Rates Topping $2,000 Leave Value 'In Eye of Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author describes how Big Law firms have crossed the $2,000-per hour rate. The article also notes that law firm rates have been increasing by just under 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 3.**

33. Chase M. Stern is an Associate Attorney at Wilshire Law Firm. He has more than a decade of complex litigation experience, which has been largely dedicated to representing individual and corporate entity plaintiffs in complex class action and commercial litigation in state and federal courts throughout the country. He is admitted to practice law before all courts in the State of California, the United States District Courts for the Northern, Southern, and Central Districts of California, and the United States Court of Appeals for the Ninth Circuit. Over the course of his career, he has been appointed as class counsel in numerous class action matters throughout California, including wage-and-hour cases. He holds a B.S. in Finance and Entrepreneurship & Emerging Enterprises from Syracuse University and a J.D. from California Western School of Law, graduating from both institutions with honors.

34. Justin F. Marquez is a former Senior Partner at Wilshire Law Firm who was actively involved in the litigation and resolution of this matter from its inception through December 2024. He graduated from University of California, Los Angeles's College Honors Program in 2004 with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi Beta Kappa*. His practice focused primarily on advocating for the rights of consumers and employees in class action litigation and appellate litigation. He received numerous awards for his legal work: from 2017 to 2020, Super Lawyers selected him as a "Southern California Rising Star," and from 2022 to 2025, he was selected as a "Southern California Super Lawyer"; he was selected as one of the "Best Lawyers in America" from 2023 to 2025; and in 2024, he, along with his colleagues at Wilshire Law Firm, received a CLAY (California Lawyer Attorneys of the Year) award for their work on a

false advertising case against Apple which ultimately led to a $25 million settlement. He also was selected to speak at multiple CELA conferences throughout his career – in 2019, he spoke on the topic of manageability of class actions at CELA's 2019 Advanced Wage & Hour Seminar, and in 2024, he spoke on the topic of dealings with multiple cases against the same defendant at CELA's 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead in negotiating class action settlements worth over $10 million in gross recovery to class members for each year since 2020, including over $37.5 million in 2022 and over $75 million in 2023. His contingent billing rate prior to his departure from Wilshire Law Firm was $1,500 per hour.[2]

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

Executed on August 8, 2025, at Los Angeles, California.

Benjamin H. Haber

[2] *See* Declaration of Justin F. Marquez in Support of Plaintiffs' Renewed Motion for Preliminary Approval of Class Action Settlement, ¶ 11, filed on April 22, 2024.

Exhibit 1

Wilshire Law Firm, PLC

Transaction Detail by Account

All Transactions

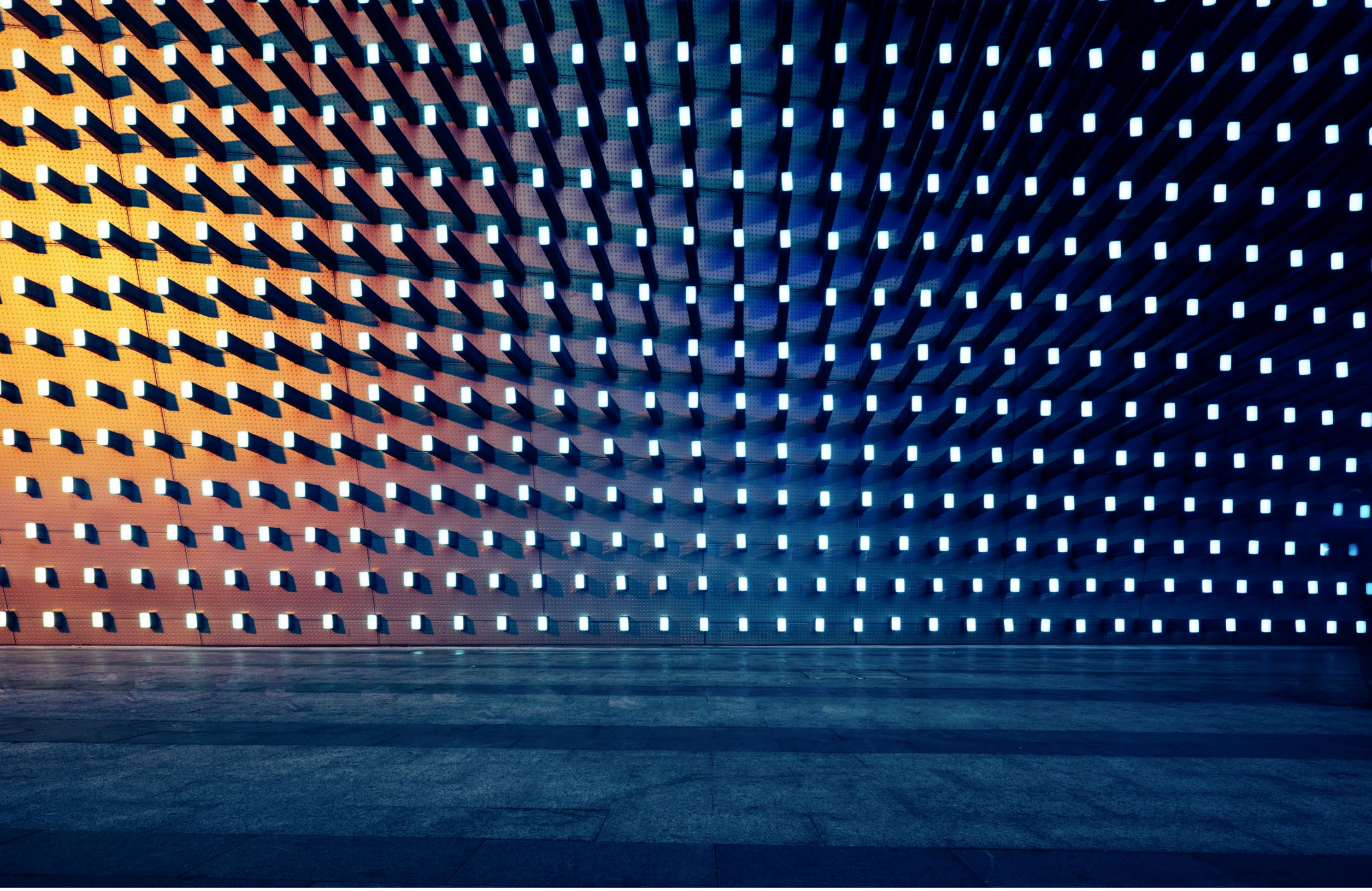
8/8/2025

Accrual Basis

Type	Date	Num	Memo	Amount	Balance
COS					
Mediation Fees					
	9/12/2022	37367	Mediation Fee	5,700.00	5,700.00
Total MEDIATION FEES				5,700.00	5,700.00
Expert Fees					
	12/15/2022	7234	Expert Fees	2,400.00	2,400.00
	12/8/2022	18934	Expert Fees	425.00	2,825.00
	1/31/2024	10762	Expert Fees	1,700.00	4,525.00
Total EXPERT FEES				4,525.00	4,525.00
Legal Expenses					
	1/14/2021		Initial Investigation	203.00	203.00
	9/15/2021	7072D9F3-0005-C	PAGA Fee	75.00	278.00
	9/6/2022	846968675	Legal Research	23.00	301.00
	3/6/2023	847939906	Legal Research	14.96	315.96
	9/13/2023	7072D9F3-0005-B	Legal Research	68.49	384.45
	9/13/2023	INV99507-01-01	Legal Research	68.49	452.94
	9/13/2023	7072D9F3-0005-D	Legal Research	68.49	521.43
	11/15/2023	7072D9F3-0006-A	Legal Research	68.49	589.92
	11/15/2023	7072D9F3-0006-B	Legal Research	82.19	672.11
	11/15/2023	7072D9F3-0006-C	Legal Research	95.89	768.00
	11/15/2023	7072D9F3-0006-D	Legal Research	95.89	863.89
	7/9/2024	850416485	Legal Research	76.92	940.81
Total LEGAL EXPENSES				940.81	940.81
Process Service Fees					
	10/5/2021	40123	Attorney Services	1,663.50	1,663.50
	10/12/2021	41027	Attorney Services	131.00	1,794.50
	10/13/2021	41053	Attorney Services	45.00	1,839.50
	12/1/2021	42476	Attorney Services	563.50	2,403.00
	12/14/2021	43016	Attorney Services	128.00	2,531.00
	12/15/2021	43026	Attorney Services	45.00	2,576.00
	1/28/2022	44267	Attorney Services	250.00	2,826.00
	2/3/2022		Attorney Services	12.35	2,838.35
	2/21/2022		Attorney Services	13.38	2,851.73
	3/14/2022		Attorney Services	13.38	2,865.11
	4/20/2022	46667	Attorney Services	85.00	2,950.11
	5/30/2022		Attorney Services	33.46	2,983.57
	7/12/2022	49142	Attorney Services	140.00	3,123.57
	8/16/2022	49841	Attorney Services	135.00	3,258.57
	8/16/2022		Attorney Services	13.90	3,272.47
	8/19/2022		Attorney Services	34.49	3,306.96
	8/29/2022	50435	Attorney Services	135.00	3,441.96
	8/30/2022		Attorney Services	13.90	3,455.86
	9/19/2022	50964	Attorney Services	135.00	3,590.86
	9/21/2022		Attorney Services	13.90	3,604.76
	9/21/2022		Attorney Services	13.90	3,618.66
	9/21/2022		Attorney Services	13.90	3,632.56
	9/22/2022		Attorney Services	13.90	3,646.46
	9/22/2022		Attorney Services	13.90	3,660.36
	9/22/2022		Attorney Services	75.67	3,736.03
	11/1/2022	52265	Attorney Services	135.00	3,871.03
	11/3/2022	202210100250501	Attorney Services	34.35	3,905.38
	3/8/2023	56422	Attorney Services	143.00	4,048.38
	3/16/2023		Attorney Services	34.95	4,083.33
	3/27/2023		Attorney Services	76.13	4,159.46
	3/27/2023	57232	Attorney Services	143.00	4,302.46
	9/5/2023	202308100250501	Attorney Services	25.30	4,327.76
	10/19/2023	66560	Attorney Services	140.00	4,467.76
	10/20/2023	66584	Attorney Services	154.00	4,621.76
	11/6/2023	66888	Attorney Services	143.00	4,764.76
	2/1/2024	71064	Attorney Services	143.00	4,907.76
	2/6/2024	71311	Attorney Services	151.00	5,058.76
	2/6/2024	71367	Attorney Services	143.00	5,201.76
	2/12/2024	202401100250501	Attorney Services	25.30	5,227.06
	3/5/2024	202402100250501	Attorney Services	50.60	5,277.66
	6/13/2024	77350	Attorney Services	139.00	5,416.66

	7/8/2024	202406100250501	Attorney Services	104.88	5,521.54
	4/10/2025	202310100250501	Attorney Services	25.30	5,546.84
	4/10/2025	202310100250501	Attorney Services	25.30	5,572.14
	4/10/2025	202310100250501	Attorney Services	25.30	5,597.44
	6/2/2025	202505100250501	Attorney Services	148.46	5,745.90
	6/10/2025	91725	Attorney Services	135.00	5,880.90
	6/11/2025	91791	Attorney Services	175.00	6,055.90
	6/30/2025	25570126	Attorney Services	21.42	6,077.32
	7/1/2025	202506100250501	Attorney Services	29.10	6,106.42
	7/1/2025	202506100250501	Attorney Services	29.10	6,135.52
Total PROCESS SERVICE FEES				6,135.52	6,135.52
Other Costs					
	9/15/2021	E-795236	Printing Cost	0.50	0.50
	9/15/2021	E-580732	Postage Cost	6.33	6.83
	9/15/2021	E-580731	Postage Cost	6.33	13.16
	11/25/2021	E-703493	Printing Cost	4.00	17.16
	11/29/2021	E-708338	Postage Cost	6.33	23.49
	11/29/2021	E-708337	Postage Cost	6.33	29.82
	8/17/2023	E-3161049	Postage Cost	1.89	31.71
	10/17/2023	E-3154460	Postage Cost	1.89	33.60
	10/18/2023	E-3154490	Postage Cost	1.89	35.49
	10/18/2023	E-3154487	Postage Cost	1.89	37.38
	2/2/2024	E-3190278	Postage Cost	1.89	39.27
	3/15/2024	E-3193809	Postage Cost	1.89	41.16
	4/10/2024	E-3195926	Postage Cost	1.89	43.05
	6/7/2024	E-3225563	Postage Cost	1.89	44.94
Total OTHER COSTS				44.94	44.94
TOTAL				**17,346.27**	**17,346.27**

Exhibit 2



ELM Solutions

2022 Real Rate Report®

The industry's leading analysis of law firm rates, trends, and practices

Wolters Kluwer

wolterskluwer.com

Table of Contents - 2022 Real Rate Report

Report Use Considerations

2022 Real Rate Report

- Examines law firm rates over time
- Identifies rates by location, experience, firm size, areas of expertise, industry, and timekeeper role (i.e., partner, associate, and paralegal)
- Itemizes variables that drive rates up or down

All the analyses included in the report derive from the actual rates charged by law firm professionals as recorded on invoices submitted and approved for payment.

Examining real, approved rate information, along with the ranges of those rates and their changes over time, highlights the role these variables play in driving aggregate legal cost and income. The analyses can energize questions for both corporate clients and law firm principals.

Clients might ask whether they are paying the right amount for different types of legal services, while law firm principals might ask whether they are charging the right amount for legal services and whether to modify their pricing approach.

Some key factors[1] that drive rates[2]:

Attorney location - Lawyers in urban and major metropolitan areas tend to charge more when compared with lawyers in rural areas or small towns.

Litigation complexity - The cost of representation will be higher if the case is particularly complex or time-consuming; for example, if there are a large number of documents to review, many witnesses to depose, and numerous procedural steps, the case is likely to cost more (regardless of other factors like the lawyer's level of experience).

Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural issues.

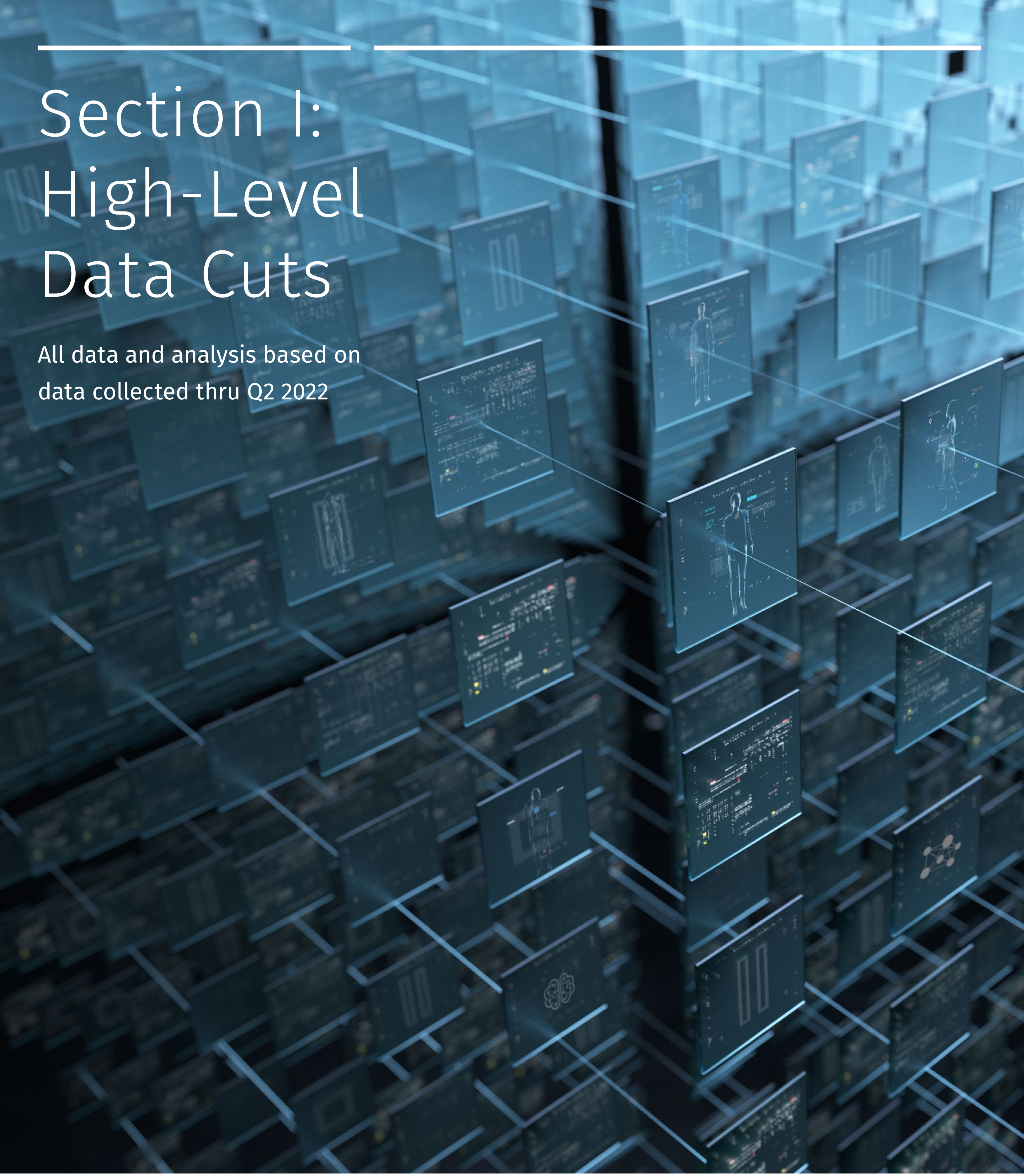
Overhead - The costs associated with the firm's support network (paralegals, clerks, and assistants), document preparation, consultants, research, and other expenses.

Firm size – The rates can increase if the firm is large and has various timekeeper roles at the firm. For example, the cost to work with an associate or partner at a larger firm will be higher compared to a firm that has one to two associates and a paralegal.

1 **David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from:** https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html
2 **Source: 2018 RRR.** Factor order validated in multiple analyses since 2010

Section I: High-Level Data Cuts

All data and analysis based on data collected thru Q2 2022



Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner | **Trend Analysis - Mean**

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Jackson MS	Litigation	Associate	56	$55	$225	$250	$178	$203	$175
	Non-Litigation	Partner	24	$315	$420	$485	$418	$394	$375
		Associate	25	$55	$126	$255	$155	$125	$259
Kansas City MO	Litigation	Partner	74	$413	$450	$556	$472	$450	$450
		Associate	50	$252	$329	$385	$319	$316	$305
	Non-Litigation	Partner	101	$411	$487	$615	$519	$487	$464
		Associate	73	$250	$320	$385	$322	$312	$285
Las Vegas NV	Non-Litigation	Partner	20	$350	$425	$525	$440	$422	$432
		Associate	11	$238	$267	$368	$301	$297	$282
Little Rock AR	Non-Litigation	Partner	11	$215	$215	$308	$264	$256	$298
Los Angeles CA	Litigation	Partner	322	$516	$725	$1,045	$799	$739	$702
		Associate	408	$400	$615	$855	$642	$606	$564
	Non-Litigation	Partner	521	$596	$868	$1,201	$903	$902	$858
		Associate	667	$441	$603	$845	$653	$712	$648

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner | **Trend Analysis - Mean**

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Minneapolis MN	Non-Litigation	Associate	83	$340	$421	$528	$425	$408	$384
Nashville TN	Litigation	Partner	24	$275	$320	$456	$363	$378	$403
	Non-Litigation	Partner	78	$412	$484	$576	$505	$481	$470
		Associate	59	$270	$330	$384	$340	$315	$285
New Orleans LA	Litigation	Partner	47	$290	$332	$412	$343	$330	$340
		Associate	42	$231	$243	$340	$278	$290	$275
	Non-Litigation	Partner	32	$295	$347	$405	$419	$380	$391
		Associate	21	$244	$250	$278	$273	$303	$258
New York NY	Litigation	Partner	614	$475	$675	$1,088	$808	$784	$746
		Associate	631	$323	$460	$729	$545	$527	$509
	Non-Litigation	Partner	1,376	$765	$1,235	$1,638	$1,189	$1,139	$1,090
		Associate	1,809	$550	$776	$1,050	$796	$766	$716
Oklahoma City OK	Non-Litigation	Partner	14	$235	$338	$393	$337	$319	$311
Omaha NE	Litigation	Partner	12	$293	$339	$353	$329	$338	$341

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner — **Trend Analysis - Mean**

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Rochester NY	Non-Litigation	Partner	12	$270	$360	$488	$386	$341	$446
		Associate	13	$220	$310	$375	$314	$278	$287
Sacramento CA	Non-Litigation	Partner	11	$381	$437	$682	$534	$559	$516
Salt Lake City UT	Litigation	Partner	14	$246	$353	$468	$363	$333	$379
	Non-Litigation	Partner	42	$297	$371	$447	$391	$363	$353
		Associate	22	$220	$240	$270	$248	$247	$228
San Diego CA	Litigation	Associate	23	$151	$225	$300	$255	$258	$264
	Non-Litigation	Partner	89	$332	$540	$1,066	$699	$667	$649
		Associate	71	$250	$325	$424	$373	$378	$351
San Francisco CA	Litigation	Partner	143	$423	$675	$995	$742	$711	$691
		Associate	98	$325	$430	$731	$525	$517	$470
	Non-Litigation	Partner	221	$475	$750	$950	$758	$746	$741
		Associate	151	$338	$486	$702	$545	$563	$507
San Jose CA	Litigation	Partner	33	$654	$921	$1,133	$916	$907	$864

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner | **Trend Analysis - Mean**

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
San Jose CA	Litigation	Associate	22	$461	$580	$745	$608	$593	$498
	Non-Litigation	Partner	50	$660	$864	$1,303	$969	$985	$887
		Associate	46	$380	$460	$775	$616	$639	$567
Seattle WA	Litigation	Partner	76	$497	$655	$760	$635	$567	$510
		Associate	61	$394	$468	$530	$447	$453	$395
	Non-Litigation	Partner	148	$410	$526	$760	$571	$547	$547
		Associate	113	$310	$395	$502	$422	$401	$377
St. Louis MO	Litigation	Partner	46	$260	$350	$435	$376	$373	$388
		Associate	17	$197	$225	$250	$228	$237	$232
	Non-Litigation	Partner	57	$352	$419	$540	$451	$446	$473
Tampa FL	Litigation	Partner	31	$369	$508	$595	$490	$467	$452
		Associate	15	$269	$298	$368	$316	$302	$306
Trenton NJ	Non-Litigation	Partner	21	$408	$600	$700	$569	$620	$581
		Associate	12	$480	$495	$500	$448	$376	$387

2022 - Real Rates for Associate | **Trend Analysis - Mean**

City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	3 to Fewer Than 7 Years	15	$270	$325	$360	$318	$295	$283
	7 or More Years	28	$292	$334	$391	$333	$312	$302
Los Angeles CA	Fewer Than 3 Years	63	$429	$595	$654	$556	$524	$488
	3 to Fewer Than 7 Years	144	$486	$688	$838	$662	$626	$530
	7 or More Years	171	$351	$550	$840	$600	$634	$586
Miami FL	3 to Fewer Than 7 Years	19	$300	$360	$457	$380	$331	$313
	7 or More Years	36	$295	$450	$595	$460	$433	$385
Minneapolis MN	Fewer Than 3 Years	11	$374	$405	$446	$408		$230
	3 to Fewer Than 7 Years	27	$340	$451	$510	$421	$358	$356
	7 or More Years	27	$423	$468	$585	$478	$438	$392
Nashville TN	7 or More Years	12	$219	$245	$345	$282	$266	$262
New Orleans LA	3 to Fewer Than 7 Years	12	$232	$243	$265	$261	$242	$245
	7 or More Years	18	$243	$312	$343	$306	$318	$294
New York NY	Fewer Than 3 Years	142	$443	$622	$775	$629	$600	$652

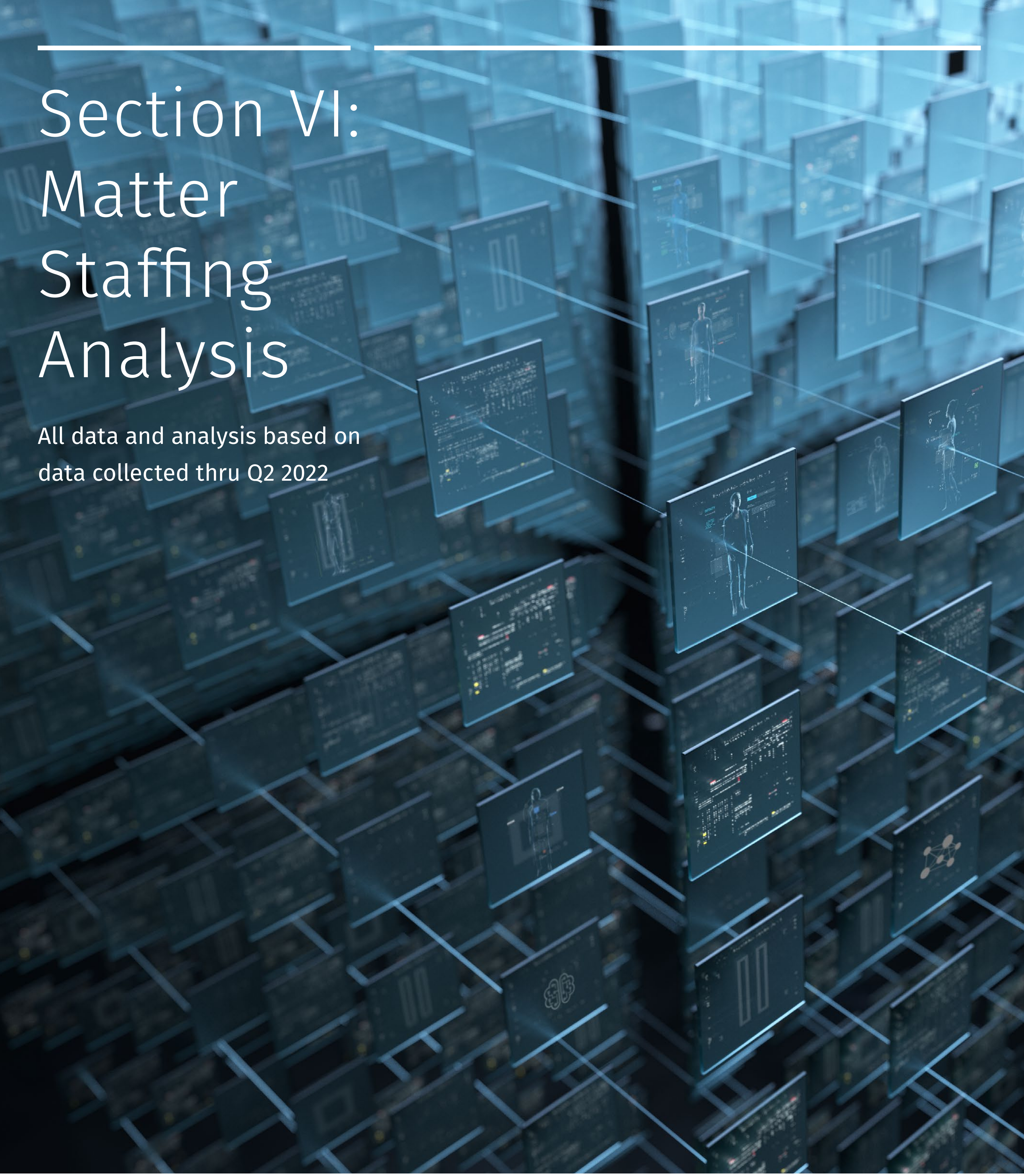
Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner | **Trend Analysis - Mean**

City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	Fewer Than 21 Years	46	$400	$450	$537	$473	$411	$397
	21 or More Years	68	$440	$553	$658	$539	$497	$491
Las Vegas NV	Fewer Than 21 Years	12	$284	$381	$495	$389	$349	$343
	21 or More Years	13	$350	$425	$515	$468	$456	$472
Los Angeles CA	Fewer Than 21 Years	183	$533	$801	$1,075	$804	$797	$682
	21 or More Years	333	$550	$765	$1,133	$863	$842	$808
Memphis TN	Fewer Than 21 Years	14	$288	$331	$380	$345	$317	$328
	21 or More Years	15	$355	$415	$425	$394	$382	$375
Miami FL	Fewer Than 21 Years	57	$370	$450	$598	$490	$498	$443
	21 or More Years	104	$388	$581	$749	$584	$580	$536
Milwaukee WI	21 or More Years	16	$302	$454	$613	$589	$515	$530
Minneapolis MN	Fewer Than 21 Years	36	$470	$530	$607	$532	$486	$499
	21 or More Years	84	$507	$675	$796	$656	$620	$589
Nashville TN	Fewer Than 21 Years	28	$375	$405	$535	$449	$405	$397



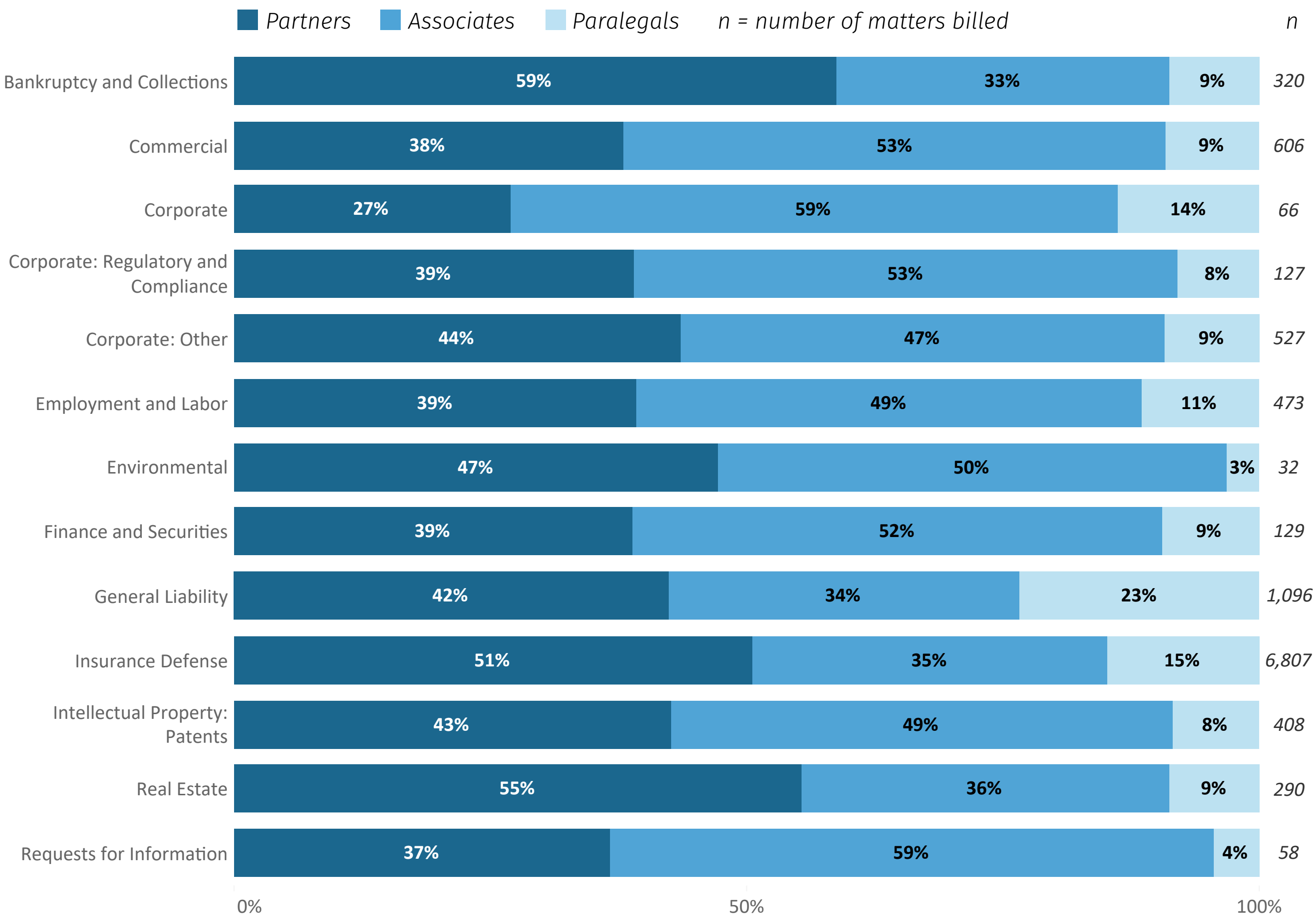
Section VI: Matter Staffing Analysis

All data and analysis based on data collected thru Q2 2022

Section VI: Matter Staffing Analysis

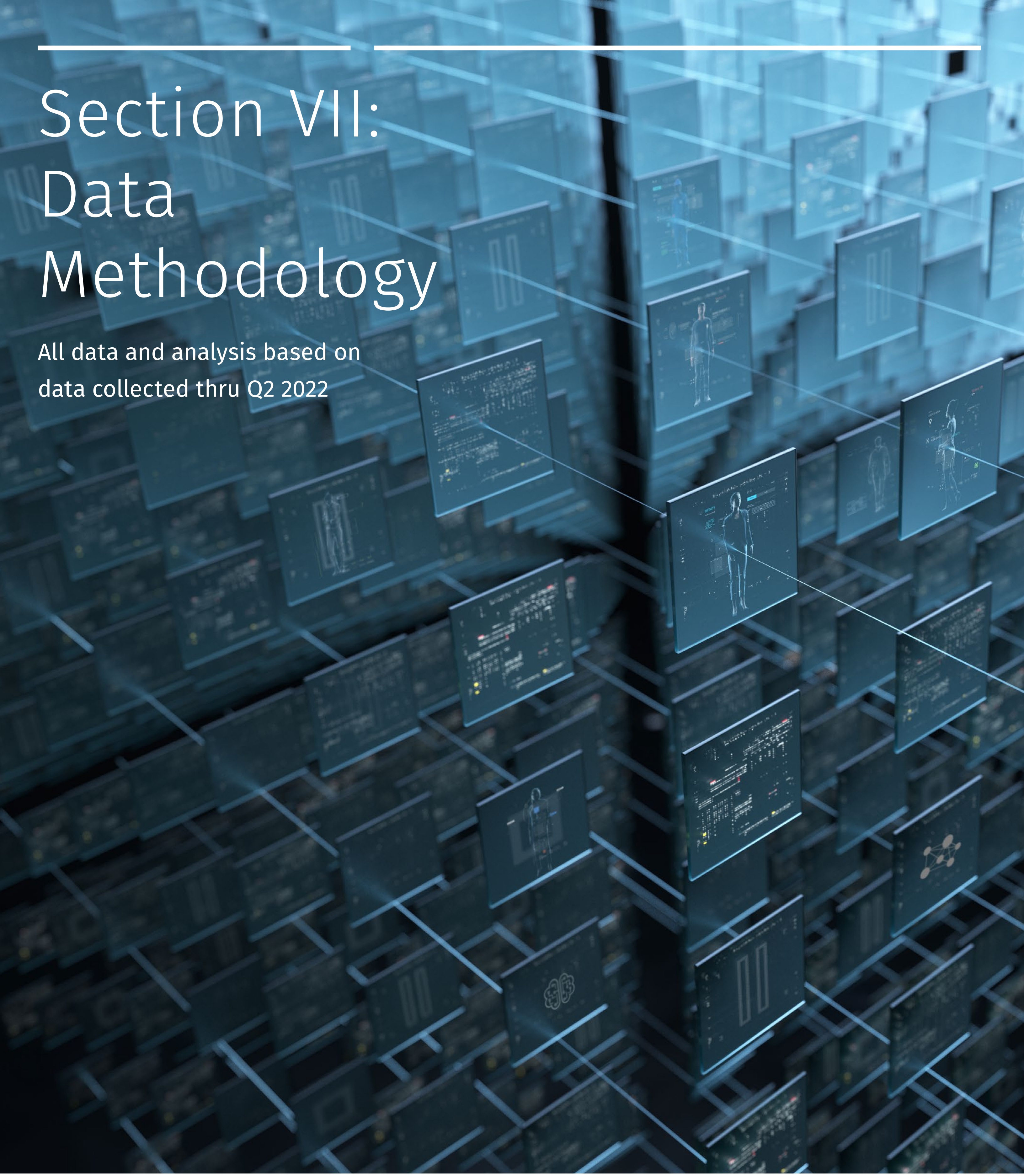
Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on data collected thru Q2 2022



Appendix: Data Methodology

Invoice Information

Data in Wolters Kluwer ELM Solutions' reference database and the 2022 Real Rate Report were taken from invoice line-item entries contained in invoices received and approved by participating companies.

Invoice data were received in the Legal Electronic Data Exchange Standard (LEDES) format (LEDES.org). The following information was extracted from those invoices and their line items:

- Law firm (which exists as a random number in the ELM Solutions reference database)
- Timekeeper ID (which exists as a random number in the ELM Solutions reference database)
- Matter ID (which exists as a random number in the ELM Solutions reference database)
- Timekeeper's position (role) within the law firm (partner, associate, paralegal, etc.)
- Uniform Task-Based Management System Code Set, Task Codes, and Activity Codes (UTBMS.com)
- Date of service
- Hours billed
- Hourly rate billed
- Fees billed

Non-Invoice Information

To capture practice area details, the matter ID within each invoice was associated with matter profiles containing areas of work in the systems of each company. The areas of work were then systematically categorized into legal practice areas. Normalization of practice areas was done based on company mappings to system-level practice areas available in the ELM Solutions system and by naming convention.

The majority of analyses included in this report have been mapped to one of 11 practice areas, further divided into sub-areas and litigation/non-litigation (for more information on practice areas and sub-areas, please refer to pages 232-234).

To capture location and jurisdiction details, law firms and timekeepers were systematically mapped to the existing profiles within ELM Solutions systems, as well as with publicly available data sources for further validation and normalization. Where city location information is provided, it includes any address within that city's defined Core-Based Statistical Area (CBSA) as defined by the Office of Management and Budget (OMB). The CBSAs are urban centers with populations of 10,000 or more and include all adjacent counties that are economically integrated with that urban center.

Where the analyses focus on partners, associates, and paralegals, the underlying data occasionally included some sub-roles, such as "senior partner" or "junior associate." In such instances, those timekeeper sub-roles were placed within the broader partner, associate, and paralegal segments.

Demographics regarding law firm size, location, and lawyer years of experience were augmented by incorporating publicly available information.

Appendix: Data Methodology

A Note on US Cities

Principal City	CBSA Name
Hartford, CT	Hartford-East Hartford-Middletown, CT
Honolulu, HI	Urban Honolulu HI
Houston, TX	Houston-The Woodlands-Sugar Land, TX
Indianapolis, IN	Indianapolis-Carmel-Anderson, IN
Jackson, MS	Jackson, MS
Jacksonville, FL	Jacksonville, FL
Kansas City, MO	Kansas City, MO-KS
Lafayette, LA	Lafayette, LA
Las Vegas, NV	Las Vegas-Henderson-Paradise, NV
Lexington, KY	Lexington-Fayette, KY
Little Rock, AR	Little Rock-North Little Rock-Conway, AR
Los Angeles, CA	Los Angeles-Long Beach-Anaheim, CA
Louisville, KY	Louisville/Jefferson County, KY-IN
Madison, WI	Madison, WI
Memphis, TN	Memphis-Forrest City, TN-MS-AR
Miami, FL	Miami-Fort Lauderdale-Pompano Beach, FL
Milwaukee, WI	Milwaukee-Waukesha, WI
Minneapolis, MN	Minneapolis-St. Paul-Bloomington, MN-WI
Nashville, TN	Nashville-Davidson-Murfreesboro-Franklin, TN
New Haven, CT	New Haven-Milford, CT
New Orleans, LA	New Orleans-Metairie, LA
New York, NY	New York-Newark-Jersey City, NY-NJ-PA
Oklahoma City, OK	Oklahoma City, OK
Omaha, NE	Omaha-Council Bluffs, NE-IA
Orlando, FL	Orlando-Kissimmee-Sanford, FL
Philadelphia, PA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Phoenix, AZ	Phoenix-Mesa-Chandler, AZ
Pittsburgh, PA	Pittsburgh, PA
Portland, ME	Portland-South Portland, ME
Portland, OR	Portland-Vancouver-Hillsboro, OR-WA
Providence, RI	Providence-Warwick, RI-MA
Raleigh, NC	Raleigh-Cary, NC
Reno, NV	Reno-Carson City-Fernley, NV

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections
General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

Contract Breach or Dispute
General, Drafting, and Review
General/Other

Corporate[1]

Antitrust and Competition
Corporate Development
General/Other
Governance
Information and Technology
Mergers, Acquisitions, and Divestitures
Partnerships and Joint Ventures
Regulatory and Compliance
Tax
Treasury
White Collar/Fraud/Abuse

Employment and Labor

ADA
Agreements
Compensation and Benefits
Discrimination, Retaliation, and Harassment/EEO
Employee Dishonesty/Misconduct
ERISA
General/Other
Immigration
Union Relations and Negotiations/NLRB
Wages, Tips, and Overtime
Wrongful Termination

Environmental

General/Other
Health and Safety
Superfund
Waste/Remediation

Finance and Securities

Commercial Loans and Financing
Debt/Equity Offerings
Fiduciary Services
General/Other
Investments and Other Financial Instruments
Loans and Financing
SEC Filings and Financial Reporting
Securities and Banking Regulations

General Liability

Asbestos/Mesothelioma
Auto and Transportation
Consumer Related Claims
Crime, Dishonesty and Fraud
General/Other
Personal Injury/Wrongful Death
Premises
Product and Product Liability
Property Damage
Toxic Tort

1 All references to "Corporate: General/Other" in the Real Rate Report are the aggregation of all Corporate sub-areas excluding the Mergers, Acquisitions, and Divestitures sub-area and the Regulatory and Compliance sub-area.

Exhibit 3

Business & Practice

Big Law Rates Topping $2,000 Leave Value 'In Eye of Beholder'

By Roy Strom

Column
June 9, 2022, 2:30 AM

Welcome back to the Big Law Business column on the changing legal marketplace written by me, Roy Strom. Today, we look at a new threshold for lawyers' billing rates and why it's so difficult to put a price on high-powered attorneys. Sign up to receive this column in your inbox on Thursday mornings. Programming note: Big Law Business will be off next week.

Some of the nation's top law firms are charging more than $2,000 an hour, setting a new pinnacle after a two-year burst in demand.

Partners at Hogan Lovells and Latham & Watkins have crossed the threshold, according to court documents in bankruptcy cases filed within the past year.

Other firms came close to the mark, billing more than $1,900, according to the documents. They include Kirkland & Ellis, Simpson Thacher & Bartlett, Boies Schiller Flexner, and Sidley Austin.

Simpson Thacher & Bartlett litigator Bryce Friedman, who helps big-name clients out of jams, especially when they're accused of fraud, charges $1,965 every 60 minutes, according to a court document.

In need of a former acting US Solicitor General? Hogan Lovells partner Neal Katyal bills time at $2,465 an hour. Want to hire famous litigator David Boies? That'll cost $1,950 an hour (at least). Reuters was first to report their fees.

Eye-watering rates are nothing new for Big Law firms, which typically ask clients to pay higher prices at least once a year, regardless of broader market conditions.

"Value is in the eye of the beholder," said John O'Connor, a San Francisco-based expert on legal fees. "The perceived value of a good lawyer can reach into the multi-billions of dollars."

Kirkland & Ellis declined to comment on its billing rates. None of the other firms responded to requests to comment.

Charge It Up

Big Law firms are crossing the $2,000-an-hour threshold after two years of surging rates driven by an increase in demand for lawyers.

Firm	Highest Billing Rate
Hogan Lovells	$2,465
Latham & Watkins	$2,075
Kirkland & Ellis	$1,995
Simpson Thacher & Bartlett	$1,965
Boies Schiller Flexner	$1,950
Sidley Austin	$1,900

Source: Court documents

Bloomberg Law

Law firms have been more successful raising rates than most other businesses over the past 15 years.

Law firm rates rose by roughly 40 percent from 2007 to 2020, or just short of 3 percent per year, Thomson Reuters Peer Monitor data show. US inflation rose by about 28% during that time.

The 100 largest law firms in the past two years achieved their largest rate increases in more than a decade, Peer Monitor says. The rates surged more than 6% in 2020 and grew another 5.6% through November of last year. Neither level had been breached since 2008.

The price hikes occurred during a once-in-a-decade surge in demand for law services, which propelled profits at firms to new levels. Fourteen law firms reported average profits per equity partner in 2021 over $5 million, according to data from The American Lawyer. That was up from six the previous year.

The highest-performing firms, where lawyers charge the highest prices, have outperformed their smaller peers. Firms with leading practices in markets such as mergers and acquisitions, capital markets, and real estate were forced to turn away work at some points during the pandemic-fueled surge.

Firms receive relatively tepid pushback from their giant corporate clients, especially when advising on bet-the-company litigation or billion-dollar deals.

The portion of bills law firms collected—a sign of how willingly clients pay full-freight—rose during the previous two years after drifting lower following the Great Financial Crisis. Collection rates last year breached 90% for the first time since 2009, Peer Monitor data show.

Professional rules prohibit lawyers from charging “unconscionable” or “unreasonable” rates. But that doesn’t preclude clients from paying any price they perceive as valuable, said Jacqueline Vinaccia, a San Diego-based lawyer who testifies on lawyer fee disputes.

Lawyers’ fees are usually only contested when they will be paid by a third party.

That happened recently with Hogan Lovells’ Katyal, whose nearly $2,500 an hour fee was contested in May by a US trustee overseeing a bankruptcy case involving a Johnson & Johnson unit facing claims its talc-based powders caused cancer.

The trustee, who protects the financial interests of bankruptcy estates, argued Katyal’s fee was more than $1,000 an hour higher than rates charged by lawyers in the same case at Jones Day and Skadden Arps Slate Meagher & Flom.

A hearing on the trustee’s objection is scheduled for next week. Hogan Lovells did not respond to a request for comment on the objection.

Vinaccia said the firm’s options will be to reduce its fee, withdraw from the case, or argue the levy is reasonable, most likely based on Katyal’s extensive experience arguing appeals.

Still, the hourly rate shows just how valuable the most prestigious lawyers’ time can be—even compared to their highly compensated competitors.

“If the argument is that Jones Day and Skadden Arps are less expensive, then you’re already talking about the cream of the crop, the top-of-the-barrel law firms,” Vinaccia said. “I can’t imagine a case in which I might argue those two firms are more reasonable than the rates I’m dealing with.”

Worth Your Time

On Cravath: Cravath Swaine & Moore is heading to Washington, opening its first new office since 1973 by hiring former heads of the U.S. Securities and Exchange Commission and Federal Deposit Insurance Corporation. Meghan Tribe reports the move comes as Big Law firms are looking to add federal government expertise as clients face more regulatory scrutiny.

On Big Law Promotions: It’s rare that associates get promotions to partner in June, but Camille Vasquez is now a Brown Rudnick partner after she shot to fame representing Johnny Depp in his defamation trial against ex-wife Amber Heard.

On Working From Home: I spoke this week with Quinn Emanuel’s John Quinn about why he thinks law firm life is never going back to the office-first culture that was upset by the pandemic. Listen to the podcast here.

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That's it for this week! Thanks for reading and please send me your thoughts, critiques, and tips.

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