WILSHIRE LAW FIRM, PLC
Benjamin H. Haber (SBN 315664)
benjamin.haber@wilshirelawfirm.com
Daniel J. Kramer (SBN 314625)
daniel.kramer@wilshirelawfirm.com
Alan Wilcox (SBN 287476)
alan.wilcox@wilshirelawfirm.com
Conor Gomez (SBN 337395)
conor.gomez@wilshirelawfirm.com
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

LAKISHA LAWSON, on behalf of the State of California and other aggrieved persons,

Plaintiff,

v.

BALBOA NURSING & REHABILITATION CENTER, and DOES 1 through 10, inclusive,

Defendants.

Case No.: 37-2021-00050317-CU-OE-CTL
Assigned to Hon. Euketa Oliver, Dept. C-75

Complaint Filed: November 30, 2021
Trial Date: Not set

PAGA REPRESENTATIVE ACTION

DECLARATION OF ALAN WILCOX IN SUPPORT OF PLAINTIFF'S MOTION TO APPROVE PAGA SETTLEMENT

Reservation No.: 101549

Approval Hearing Date
Date: December 18, 2026
Time: 9:00 a.m.
Dept.: C-75

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

I, Alan Wilcox, declare as follows:

1. I am admitted and in good standing to practice as an attorney in the State of California. I am an Attorney at Wilshire Law Firm, PLC ("WLF"), counsel of record for plaintiff Lakisha Lawson ("Plaintiff"). I, along with the above-captioned attorneys at WLF (inclusively "PAGA Counsel"), have reviewed the case files for this matter as routinely kept by WLF in the course of litigation. Based upon the information available to PAGA Counsel through WLF's record-keeping processes, I am competent to make this declaration (this "Declaration"). This Declaration is submitted concurrently with and in support of Plaintiff's Motion to Approve the PAGA Settlement (the "Motion").

Case Background

2. This is a Private Attorneys General Act ("PAGA") (Lab. Code §§ 2699, et seq.) representative action brought by Plaintiff, on behalf of the State of California and any person employed by Defendant Balboa Nursing & Rehabilitation Center ("Defendant" and together with Plaintiff, the "Parties") in California and classified as a non-exempt or hourly-paid employee who worked for Defendant from September 3, 2020 to March 21, 2024 (the "PAGA Period") (each an "Aggrieved Employee"). Defendant Balboa Nursing is a "5-star rated nursing care facility and rehabilitation center" that offers "premium quality caring services to short-term and chronic care patients."

3. Plaintiff alleges that Defendant failed to pay for all hours worked. Plaintiff further alleges that Defendant failed to: provide meal periods, authorize and permit rest periods, pay all earned wages twice per month, maintain accurate records of hours worked and meal periods, timely pay final wages, furnish accurate wage statements, and indemnify for necessary expenditures.

4. On August 31, 2021, Plaintiff filed a class action complaint alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify for necessary business expenditures; and (8) Unfair Business Practices (the "Class Action").

5. On September 3, 2021, Plaintiff provided notice to the Labor and Workforce Development Agency (the "LWDA") and Defendant of the violations described above, as required by Labor Code § 2699.3(a)(1). Pursuant to Labor Code § 2699.3 (a)(2)(A), the LWDA had 65 calendar days to notify Plaintiff and Defendant whether it intended to investigate the alleged violations, during which time it did not. A true and correct copy of the PAGA Notice and evidence of Plaintiff's submission of the initial PAGA notice to the LWDA, attached as **Exhibit 1**. On November 30, 2021, Plaintiff filed a separate representative action for civil penalties under PAGA (the "Operative Complaint" or "PAGA Action").

6. On March 24, 2022, the Court in the Class Action ordered the Plaintiff's individual claims to arbitration and dismissed the class claims. Thus, this Motion is to approve the PAGA Settlement Agreement (the "Settlement" or "Settlement Agreement") entered into between the Parties to resolve the PAGA Action. A true and correct copy of the Settlement Agreement and PAGA Notice Cover Letter (the "Notice") is attached hereto as **Exhibit 2**.

Discovery and Investigation

7. After Plaintiff filed the Operative Complaint, the Parties engaged in extensive discussions and informal discovery. Defendant produced a sample of employee timekeeping and payroll data as well as documents reflecting Defendant's policies, practices and procedures during the relevant time period. The Parties have engaged in sufficient informal discovery and investigation to assess the relative merits of the claims and contentions of the Parties.

8. On March 21, 2024, the Parties and their counsel participated in private mediation with Jill R. Sperger, Esq. The settlement negotiations were at arm's length and, although conducted in a professional manner, were adversarial. The Parties went into the mediation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate their or its position through trial and appeal if a settlement had not been reached.

9. Ultimately, after an all-day mediation presided over by Jill R. Sperber, Esq., the Parties agreed to settle the PAGA Action for $346,500.00 (the "Gross Settlement Amount"). There are approximately 599 aggrieved employees covered by the Settlement. Plaintiff submitted the Settlement to the LWDA pursuant to Labor Code § 2699(l)(2). Attached as **Exhibit 3** is a true and

correct copy of Plaintiff's proof of submission of the Settlement Agreement and Notice to the LWDA.

10. Before the Settlement, Plaintiff's counsel conducted an investigation into the claims alleged by Plaintiff, conducted legal research, and engaged in informal discovery. Based upon the information obtained through discovery, Plaintiff's counsel was able to act intelligently and effectively in negotiating the proposed Settlement.

Assessment of Amount in Controversy and Risks of Continued Litigation

11. Plaintiff and her counsel remain confident of the merits of Plaintiff's claims. With respect to the meal period allegation, Plaintiff alleges that Defendant did not have fully compliant written meal period policies. Although Plaintiff contends that this allegation is meritorious, there is risk with this underlying claim. With respect to the rest period allegation, Plaintiff contends that employees, including herself, were not provided with California-compliant rest periods, as employees were often cut short or otherwise interrupted or that employees would be forced to skip rest breaks due to a heavy workload. Again, despite Plaintiff's contention that this allegation is credible, proving rest period allegations is particularly difficult because rest periods do not have to be recorded and Defendant can argue that the aggrieved employees chose to voluntarily forego their rest periods.

12. With regard to Plaintiff's wage statement claim, Defendant argues that the wage statements issued to employees meet the requirements of Labor Code § 226(a). Defendant also maintains that any alleged wage statement violation could not be shown to be "knowing and intentional," and that Plaintiff cannot show that she or any other employee "suffer[ed] injury" as a result of the alleged wage statement violations, as required by Labor Code § 226(e) for the imposition of penalties.

13. Plaintiff recognized there is a legitimate risk of the Court significantly reducing penalties given the technical nature of the alleged violations. Without this Settlement, the Parties face preparation for trial, as well as extensive formal discovery efforts and depositions. As a result, the Parties would incur considerably more attorneys' fees and costs through trial. This Settlement avoids those risks and the accompanying expenses.

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

14. The Settlement Agreement provides for 21,000 pay periods during the PAGA Period which presented issues with regard to (1) unpaid wages, (2) meal period violations, (3) rest period violations, and (4) unreimbursed business expenses. Applying the $100 "initial violation" penalty for each of these 4 violations per pay period, Defendant's maximum potential PAGA exposure is $8,400,000.00 (based on 21,000 pay periods). However, given the technical nature of proving each of these violations, and in light of the trial court's ability to prevent stacking of PAGA penalties, PAGA Counsel reduced its estimate by assuming one violation per pay period, yielding $2,100,000.00. PAGA Counsel, in their vast experience litigating these complex wage and hour claims, then discounted this amount by 50% given the highly contested nature of the claims, the defenses asserted by Defendant, and the likelihood of success at trial, yielding a realistic maximum recovery of $1,050,000.00.

15. The Gross Settlement Amount therefore represents 33% of Plaintiff's reasonably forecasted total recovery ($346,500.00 / $1,050,000.00 = 33%). In this case, continued litigation would delay payment to the LWDA and the PAGA Employees as they await trial and, most likely, appellate proceedings. Furthermore, while Plaintiff is confident in the merits of the case, a legitimate controversy exists as to each of the predicate Labor Code violations. The possibility that the Court finds no liability at the PAGA bench trial is also a risk. In sum, when the risks of litigation, the burdens of proof necessary to establish liability, and the probability of appeal of a favorable judgment are balanced against the merits of Plaintiff's claims, it is clear that the Settlement is fair. Further, because of the proposed Settlement, the PAGA Employees will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. Plaintiff also recognizes that proving the amount of wages due to each employee would be an expensive, time-consuming, and uncertain proposition.

16. If the Court approves the terms of the Settlement, the net settlement amount will be approximately $195,886.78 (the "Net Settlement Amount"). The Net Settlement is the Gross Settlement Amount *minus* the following:

a. Up to $10,000.00 enhancement award to Plaintiff (the "PAGA Representative Service Award");

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

b. $115,500.00 to PAGA Counsel for their attorneys' fees (the "PAGA Counsel Fees Payment");

c. $19,613.22 to PAGA Counsel for attorneys' costs (the "PAGA Counsel Litigation Expenses Payment"); and

d. $5,500.00 to the Apex Class Action Administration (the "Administrator") for their administration costs (the "Administrator Expenses Payment"). A true and correct copy of the Administrator's bid is attached hereto as **Exhibit 4**.

Further, 75% of the Net Settlement Amount, or approximately $146,915.09, will go to the LWDA and the remaining 25% of the Net Settlement Amount, or approximately $48,971.69, will be paid to the Aggrieved Employees by (a) dividing the remaining 25% of the Net Settlement Amount by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods to determine their "Individual PAGA Payment". The average Individual PAGA Payment is estimated to be approximately $81.76 ($46,971.69 / 599).

PAGA Representative Service Payment

17. The requested PAGA Representative Service Award is intended to recognize: (1) the substantial time and effort that Plaintiff has expended on behalf of the State and Aggrieved Employees; (2) the risks faced by Plaintiff as a result of bringing this Action; (3) the fact that Plaintiff put the interests of the State of California and other aggrieved employees ahead of her own; and (4) the substantial benefit conferred upon the State and the Aggrieved Employees as a result of Plaintiff's actions.

18. Plaintiff has spent numerous hours performing tasks for this Action, including, but not limited to, the following: consulting with counsel in-person and over the telephone; searching for and producing relevant documents; reviewing documents produced by Defendant and Settlement documents; keeping informed of the developments in the Action; and participating in decisions concerning the Action, including settlement. As a result of her efforts, the LWDA and about 599 aggrieved employees will receive compensation for civil penalties for underpaid wages and other wage and hour violations.

19. Plaintiff put herself at significant risk in pursuing this Action on behalf of the State, as serving as a Plaintiff in a representative action could affect her prospects for future employment. Plaintiff also placed herself at substantial risk because, if Defendant was to prevail in this action, Plaintiff could be liable for Defendant's costs and attorneys' fees.

20. In short, this Action would not have been possible without the aid of Plaintiff, who put her own time and effort into this Action, sacrificed the value of her individual claims by entering into a general release of all known and unknown claims, and placed herself at risk for the sake of the State and the Aggrieved Employees, and Defendant will not oppose Plaintiff's request for the full PAGA Representative Service Award.

Attorneys' Fees And Costs

21. The Settlement provides for a payment of attorneys' fees in the amount of $115,500.00 and $19,613.22 in costs to Plaintiff's counsel.

22. The total current lodestar for WLF is not less than the following:

Attorney	Role	Hours	Rate	Lodestar
Benjamin H. Haber	Senior Partner	47.5	$925	$ 43,937.50
Daniel J. Kramer	Senior Attorney	79.8	$825	$ 65,835.00
Alan Wilcox	Senior Attorney	8.5	$950	$ 8,075.00
Conor J.D. Gomez	Attorney	11.8	$575	$ 6,785.00
Coley Hayes	Paralegal	5.2	$200	$ 1,040.00
Justin F. Marquez[1]	Senior Partner	10	$1,500	$15,000.00
	Total: 162.8			$ 140,672.50

23. WLF has spent approximately 162.8 hours, for a lodestar of $140,672.50 litigating this Action to bring it to resolution, not including time which will be expended monitoring the

[1] Former WLF Senior Partner Justin F. Marquez devoted a great deal of time to this matter: assisting with the complaint, participating in several meetings regarding the case and case strategy, assisting with the mediation materials and brief, and attending the mediation. WLF does not have itemized billing records for Mr. Marquez as he departed from WLF in December 2024. Partner Benjamin Haber conservatively estimated Mr. Marquez's hours at 10 for the lodestar included in this Motion based on the information available to Mr. Haber.

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

administration of the Settlement and distribution of funds to the Class Members. Efforts expended by Class Counsel to achieve this result include, but are not limited to, the following:

a. the investigation of the matter, including meeting with Plaintiff, 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. opposing Defendant's motion to compel arbitration for Plaintiff's individual and class claims;
d. attending hearings and meeting and conferring with Defendant regarding the Action;
e. meeting and conferring with Defendant regarding mediation, exchange of informal discovery beforehand, and negotiating with opposing counsel regarding the parameters thereof;
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 Plaintiff to perform analyses of liability and exposure prior to attendance of the mediation in this Action;
h. reviewing policy documents from Defendant and researching applicable defenses;
i. preparation of a mediation brief and damages model for use at mediation;
j. attendance at mediation by all Parties and counsel;
k. communicating with Plaintiff who requested updates or other information regarding this matter;
l. engaging in settlement negotiations, followed by finalizing and fully executing the Settlement Agreement;
m. communicating with multiple settlement administration companies to select an appropriate administrator for this settlement; and
n. preparing the instant Motion and supporting documents.

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

24. There are additional hours devoted by Class Counsel to this Action that are not reflected in the PAGA Counsel Fees Payment.

25. 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.

26. I believe that the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment provisions are reasonable. The fee percentage requested is less than that charged by WLF for most employment cases. WLF invested significant time and resources into the Action, with payment deferred to the end of the Action, and then, of course, contingent on the outcome.

27. It is further estimated that my office will need to expend at least another 10 to 15 hours to monitor the process leading up to payments made to the Aggrieved Employees. WLF also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

28. The risk to WLF has been very significant, particularly if we would not be successful in pursuing this Action. In that case, we would have been left with no compensation for all the time taken in litigating this Action. Indeed, we have taken on a number of class and representative 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.

29. In the high-risk, high-cost practice of class action and PAGA litigation, WLF has endured financial losses in several of its cases. I believe that the particular risk of taking on this high-cost, high-risk case supports an upward adjustment of the lodestar calculation.

30. Because most individuals cannot afford to pay for representation in litigation on an hourly basis, WLF represents 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 WLF 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 take

cases on a contingency basis if, at the end of our representation, we receive less than the amount of attorneys' fees negotiated with defendant. It is therefore essential that we recover our requested fees when we settle cases if we are to remain in practice so as to be able to continue take on class and representative action cases.

31. I believe that the efforts of PAGA Counsel have resulted in substantial benefits to the Aggrieved Employees and the State of California. Through the efforts of PAGA Counsel and Plaintiff in this Action, a fair and reasonable resolution has been reached. I believe that, without the efforts of PAGA Counsel, the Labor Code and Wage Order violations alleged in the Action would have gone completely unremedied. The PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment provided for in the Settlement are reasonable given the result achieved.

32. As of the drafting of this Motion, my office has incurred $19,613.22 in expenses litigating this Action. These expenses were reasonably necessary in litigating and settling the Action and were actually incurred by WLF. They should be reimbursed in full, up to the maximum amount allowed in the Settlement Agreement. Attached as **Exhibit 5** to this Declaration is a true and correct copy of WLF's costs breakdown.

The Administration Expenses Payment is Reasonable

33. The Administrator Expenses Payment in the amount of $5,500.00 to the Administrator reasonable, given the tasks to be performed by the Administrator, including, but not limited to, the following duties: mailing and re-mailing (if necessary) checks to approximately 599 PAGA Employees and the LWDA; establishing a qualified settlement fund; preparing and submitting to PAGA Employees and government entities all appropriate tax filings and forms; distributing the PAGA Representative Service Payment and attorneys' fees and costs; keeping the Parties timely apprised of the performance of all obligations under the Agreement; and voiding uncashed or undeliverable checks to issue those funds to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee. Plaintiff respectfully requests that the Court approve the Administration Expenses Payment.

Plaintiff's Counsel's Experience and Qualifications

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

34. Plaintiff is represented by WLF. The attorneys at WLF performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment.

35. WLF 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 more than 100 attorneys and over 600 employees. WLF is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

Benjamin H. Haber's Qualifications

36. Benjamin H. Haber is a Partner at WLF. He graduated from the University of California, Los Angeles, in 2012 and received his 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, he 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, he has focused his legal work primarily on wage-and-hour litigation and has helped obtain more than one hundred class settlements on behalf of tens of thousands of workers in California. He was also selected as a "Southern California Rising Star" in 2024, 2025, and 2026.

37. He has been appointed as class counsel in numerous wage-and-hour cases throughout California. Below is a non-exhaustive list of cases where he was appointed as class counsel or he and other members of WLF 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-

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

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. *Hernandez v. KW California, et al.*, Kern County, Case No. BCV-23-100346; Motion for Final Approval Granted on December 4, 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. *Barajas Maya v. United Facilities Group, Inc., et al.*, Santa Clara County, Case No. 22CV397353; Motion for Final Approval granted on November 22, 2024.

38. 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

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

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 6**.

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 7**.

<u>Alan A. Wilcox's Qualifications</u>

39. Alan A. Wilcox obtained his Bachelor's degree from the University of California, Berkeley in 2007. He graduated from Pepperdine University's School of Law and became a member of the California State Bar in 2012.

40. Throughout his career up until his employment at WLF, he was essentially continuously employed as a civil litigation attorney at multiple law firms. He has represented clients in both state and federal Courts in a wide variety of matters, including contract disputes, wrongful foreclosure, unlawful detainer, divorce, product defect, tort, and employment.

41. From 2014 to the present, Mr. Wilcox has been exclusively practicing complex civil litigation representing plaintiff employees in employment matters. In that time, he believes he has become an expert in the field. He has handled both individual wrongful discharge and collective wage and hour actions, with the class action and PAGA matters including *Flores v. Aqua Terra Culinary, Inc.*, Monterey Superior Court Case No. 17CV002672, *Garcia v. Construction Innovations Group, LLC*, Sacramento Superior Court Case No. 34-2020-00285239, *Kim v. Sheraton Operating Corp.*, Central District of California Case No. 2:17-cv-09247-FMO-E, *Pease v. Wattrans, Inc.*, San Bernardino Superior Court Case No. CIVDS1919832, and *Lachman v. Berlitz Languages, Inc.*, Los Angeles Superior Court Case No. 19STCV01533, among many others.

42. Mr. Wilcox has used his programming skills to create complex systems for automatically performing in-depth analyses of employment records to identify wage and hour violations in both individual and collective action settings. He has tried several matters, including multiple employment cases and multiple non-employment cases. His expertise has resulted in obtaining multiple millions of dollars for his clients. He strives to represent individual struggling to enforce their rights and recover what is owed to them from employers who violate California law. At WLF, he is a Senior Attorney charged with taking resolved class action and PAGA matters and ensuring that they are carried through the approval and distribution process in an efficient manner and in compliance with Court orders.

43. His current hourly billing rate is $950.00 per hour. He believes that this hourly rate is reasonable and appropriate, given his background and experience. He is generally familiar with hourly rates charged by attorneys in both Southern and Northern California whose training and experience are like his, and believes his rate is competitive in both markets for attorneys such as himself. Indeed, a commonly used metric for determining reasonable attorney fee rates based upon years of experience, the Laffey Matrix (http://www.laffeymatrix.com/see.html), indicates that it would be reasonable for him to charge approximately $1,019.00 per hour. While working for WLF, he has repeatedly been approved as class counsel and his hourly billing rate has been approved for many class and PAGA action settlements.

<u>Daniel J. Kramer's Qualifications</u>

44. Daniel J. Kramer is a ninth-year Senior Attorney at WLF. He is admitted to practice law in the State of California in 2017 and as also admitted to the Central, Eastern, Southern, and Northern Districts of California. He graduated from Stanford University with a Bachelor of Arts in History and Political Science, and received his Juris Doctor from Loyola Law School, Los Angeles in 2016. During law school, he was a research editor for the Loyola of Los Angeles International and Comparative Law Review. Before joining WLF, he practiced briefly at a firm that focused on municipal law and code enforcement and then moved to a respected plaintiff-side firm to practice wage and hour class action litigation. He has several years of work experience litigating wage and hour class actions.

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

Conor J.D. Gomez's Qualifications

45. Conor J.D. Gomez is a fifth-year Settlement Attorney at WLF. Mr. Gomez is responsible for finalizing resolved class action and PAGA matters, ensuring that they are carried through the approval and distribution process in an efficient manner and in compliance with court orders. He graduated from the University of California, Los Angeles School of Law in May 2020. Mr. Gomez passed the California Bar Examination on his first attempt and was admitted to practice in May 2021. He is admitted to practice law in the State of California and before the Northern District of California. Mr. Gomez also serves as an adjunct professor at the Thomas Jefferson School of Law in San Diego, California, and he acts as a Bar Exam Preparation mentor to law students throughout San Diego. He graduated from the University of California, San Diego in 2017 with a Bachelor of Arts in Sociology, concentrating in Law & Society. During law school, Mr. Gomez obtained credentials in course design, teaching innovation and technology, and business administration from the University of California, Irvine. He was awarded the Masin Family Foundation Gold Award in recognition of his academic performance in law school. Mr. Gomez began his legal career representing both for-profit and non-profit/tax-exempt organizations. He draws on that experience to achieve strong results for his clients, having represented businesses and understanding their perspectives. He has practiced plaintiff-side employment litigation for several years and has a strong record of securing settlements in individual wage-and-hour and FEHA matters, with results regularly reaching the six-figure range. Throughout his career, Mr. Gomez has worked with multiple firms, taking on increasing responsibility and mentoring dozens of new attorneys in employment law fundamentals and litigation strategies to achieve efficient and favorable outcomes. He transitioned into his current role at WLF to capitalize on his strengths in settlement negotiations, workflow optimization, and drafting clear and concise agreements and motions, with the goal of achieving maximal results for larger classes of workers. Mr. Gomez has served on the board of directors for local arts organizations and regularly hosts workshops throughout Southern California. He has guest lectured at the University of California, Irvine on various legal topics. He is also a certified mediator and serves on the California Lawyers for the Arts mediation panel, where he volunteers his time to mediate a wide range of disputes, including

artistic business and ownership matters as well as employment disputes. Mr. Gomez has been appointed as class counsel in wage-and-hour matters throughout California, including most recently in *Begley v. Genewiz, LLC*, 37-2022-00038762-CU-OE-CTL; Motion for Final Approval Granted April 3, 2026; *Canady v. Sheffield Platers, Inc.*, 37-2024-00014952-CU-OE-CTL; Motion for Preliminary Approval Granted March 4, 2026; *Molina v. CCN Framing, Inc*., 22STCV10819; Motion for Preliminary Approval Granted on March 4, 2026; and *Lucero v. Nissho of California, Inc.*, Case No. 37-2021-00001528-CU-OE-CTL, consolidated with Case No. 37-2022-00012006-CU-OE-CTL; Motion for Final Approval granted on February 20, 2026.

Justin F. Marquez's Qualifications

46. Justin F. Marquez is a former Senior Partner at WLF who was actively involved in the litigation and resolution of this Action 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. He graduated from Notre Dame Law School with a Juris Doctorate. He was admitted to the State Bar of California in February 2019. 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 WLF, 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.

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

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 April 17, 2026, at Santa Rosa, California.

Alan Wilcox

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

Exhibit 1

WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
www.wilshirelawfirm.com

Bobby Saadian, Esq. JD/MBA

Colin M. Jones, Esq.
Ilyas Akbari, Esq.
Gail Richardson, Esq.
Justin F. Marquez, Esq.
Robert Dart, Esq.
Jon Teller, Esq.
Sutton A. Shapiro, Esq.
Daniel B. Miller, Esq.
Hazel Chang, Esq. Erik Harper, Esq.
Johnny Ogata, Esq.
Daniel DeSantis, Esq.

Nicol Hajjar, Esq.
Thiago Coelho, Esq.
Benjamin H. Haber, Esq.
Tae Kim, Esq.
Peter Cho, Esq.
Gregory Stuck, Esq.
Malalai Anbari, Esq.
Kristen Tojo, Esq.
Derek Monzon, Esq.
Ryan Medler, Esq.
April Yang, Esq.
Rachel J. Vinson, Esq.

September 3, 2021

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(***Via Online Submission***)

Balboa Nursing & Rehabilitation Center
3520 4th Avenue
San Diego, CA 92103
(***Via Certified Mail, Return Receipt Requested***)
#9489 0090 0027 6372 2154 82

Balboa Healthcare, Inc.
140 N Union Ave, Suite 320
Farmington, UT 84025-2956
(***Via Certified Mail, Return Receipt Requested***)
#9489 0090 0027 6372 2154 99

CT Corporation System
Agent for Service of Process for: Balboa Healthcare, Inc.
818 West Seventh Street, Suite 930
Los Angeles, CA 90017
(***Via Certified Mail, Return Receipt Requested***)
#9489 0090 0027 6372 2155 05

Re: ***Lawson Lakisha v. Balboa Nursing & Rehabilitación Center***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Lawson Lakisha ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against her former employer, Balboa Nursing & Rehabilitation Center ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all other persons who worked for Defendant in California as non-exempt or hourly-paid employees at any time within the applicable statutory period ("Aggrieved Employees").

Plaintiff wishes to pursue this action on behalf of herself as an aggrieved employee, on behalf of the State of California, as well as on behalf of the Aggrieved Employees.

Plaintiff and the Aggrieved Employees suffered the Labor Code violations described below.

Plaintiff's Employment with Defendant

Defendant owns/owned and operates/operated an industry, business, and establishment within the State of California, including San Diego County. As such, and based upon all the facts and circumstances incident to Defendant's business in California, Defendant is subject to the California Labor Code and Wage Orders issued by the Industrial Welfare Commission ("IWC").

Plaintiff Lawson Lakisha is a California resident who worked for Defendant in San Diego, California as an hourly-paid, non-exempt employee from approximately September 2020 to approximately January 2021. Throughout Plaintiff's employment, Defendant failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to pay overtime and double time compensation, failed to provide Plaintiff with legally compliant meal periods, failed to authorize and permit Plaintiff to take rest periods, failed to timely pay all final wages to Plaintiff when Defendant terminated her employment, failed to reimburse Plaintiff for all business related expenses or losses incurred during her employment, and failed to furnish accurate wage statements to Plaintiff. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-clock", uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to work unpaid during legally required meal periods. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

Throughout the statutory period, Defendant wrongfully failed to include non-discretionary bonuses, commissions, incentive pay, performance pay, and/or shift differentials in the calculation of Plaintiff's and the other Aggrieved Employees' regular rate of pay used to calculate their overtime rate for the payment of overtime wages. Plaintiff and the other Aggrieved Employees earned non-discretionary bonuses and incentive pay, such as "Hero Pay," during pay periods where they worked overtime hours and earned overtime wages. Accordingly, Defendant failed to compensate Plaintiff and the Aggrieved Employees for all overtime compensation they were owed.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal period by the end of their fifth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period by the end of their tenth hour of work. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with a required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with their legally compliant meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work and to work without taking a second legally compliant meal break after working ten hours per day, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. At all times relevant to Plaintiff's employment for Defendant, Plaintiff was not informed of her right to, nor permitted to take, a second meal period when Plaintiff worked at least ten hours in a workday. Accordingly, Defendant policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with a required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Defendant have wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest periods. Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay Plaintiff and the Aggrieved Employees all wages due, and failed to pay those wages twice a month, in that they were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes the employees the legally required wages not paid, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the California Labor Code and IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered, and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code §§ 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with §§ 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than 30 days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendant violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars ($4,000) per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses in the form of work-related tools and equipment. Plaintiff and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiff and the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum, straight time, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest

periods;

4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and
8. Labor Code § 2802 by failing to indemnify for necessary expenditures.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

Justin F. Marquez, Esq.

State of California
Labor and Workforce Development Agency / Department of Industrial Relations

Private Attorneys General Act (PAGA) - Filing

New PAGA Claim Notice

Your Information (Person Who is Filing)

Your First Name *
Justin

Your Last Name *
Marquez

Firm Name (if any) *
Wilshire Law Firm, PLC
(Enter "in pro per" if you are representing yourself)

Your Email Address *
minjee@wilshirelawfirm.cc

Your Street Name, Number and Suite/Apt *
3055 Wilshire Blvd., 12th

Your Mobile Phone Number

Your City *
Los Angeles

Your Work Phone Number
2133819988

Your State *
California

Your Zip/Postal Code *
90010

Plaintiff Information

Plaintiff/Aggrieved Employee Name *
Lawson Lakisha

Plaintiff/Aggrieved Employee Occupation *
nurse

Add Additional Plaintiffs

Employer Information

Employer Entity Type
Corporation

Employer Name *
Balboa Nursing & Rehabilitation Center
Maximum 80 Character Limit

Employer Street Name, Number and Suite/Apt *
3520 4th Avenue

Employer City *
San Diego

Employer State *

Employer Zip/Postal Code *

California

92103

Employer Industry *

Other

Employer Industry for "Other" *

Other

Add additional defendants

- [ ] Add any entity other than an individual
- [ ] Add an individual/sole proprietor employer

Notice General Information

Estimated Number of Employees Impacted by Violations *

40

Notice Violations - Check All that Apply *

- [ ] Child Labor
- [ ] Misclassification Employee Classified as Contractor
- [ ] Misclassification NonExempt Classified as Exempt
- [x] Minimum Wage
- [x] Overtime
- [x] Not paid for all hours worked
- [x] Not paid wages due on termination
- [x] Other Unpaid Wages
- [ ] Tips or Gratuities
- [x] Payment or Reimbursement of Employee Expenses
- [ ] Improper Form of Payment Including NSF Checks
- [ ] Kickbacks
- [x] Meal and Rest Breaks
- [ ] Sick Leave
- [ ] Lactation Accommodation (Labor Code 1030-1033)
- [ ] Not providing required time off, other
- [ ] Pay Discrimination on basis of sex, (Labor Code 1197.5)
- [ ] No Wage Statements
- [x] Improper or Incomplete Wage Statements
- [x] Other Notice or Posting or Recordkeeping
- [ ] Public Works (Labor Code 1720 - 1815)
- [ ] Apprenticeship (Labor Code 3070 - 3098)
- [ ] Occupational Safety and Health (Labor Code 6300 et seq)
- [ ] No Workers' Compensation
- [ ] Licensing, Registration, or Permit
- [ ] Unfair Immigration Activities
- [ ] Agricultural Labor Relations
- [ ] Industrial Homework
- [ ] Retaliation for Protected Status or Activity (Specify)
- [ ] Other

Child Labor - Specify Ages

PAGA Claim Type - Check All that Apply *

- [x] Notice asserts one or more Labor Code violations listed in Labor Code 2699.5- not curable subject to 2699.3(a)
- [ ] Notice asserts one or more OSHA violations subject to requirements of 2699.3(b)
- [x] Includes one or more violations not listed in Labor Code 2699.5 - curable subject to 2699.3(c)

Filing Fee

A filing fee of $75 is required to file a new PAGA claim notice.

IFP

☐ I wish to claim In Forma Pauperis and am attaching a Confidential Request to Waive Court Fees (Judicial Council Court Form FW-001) or similar form to this submission.

Billing information

Billing First Name *	Billing Last Name *	Billing Email *
Bobby	Saadian	minjee@wilshirelawfirm.cc

Billing Phone

2133819988

Billing Street Name, Number and Suite/Apt *

3055 Wilshire Blvd., 12th Floor

Billing City *	Billing State *	Billing Zip/Postal Code *
Los Angeles	California	90010

Credit Card Type *	Credit Card Number *
[redacted]	[redacted]

CVV Number *	Credit Card Expiration Month *	Credit Card Expiration Year *
[redacted]	[redacted]	[redacted] yyyy

Notice and Other Attachments

PAGA Claim Notice (must be a .pdf) *

Choose File 2021 09-03 Ba...r (FINAL).pdf

Other Attachment - (if any) (must be a .pdf)

Choose File No file chosen

Add Another Attachment

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☑ I understand that, if I file, I must comply with the redaction rules consistent with this notice.

Min Jee Kim

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>
Sent: Friday, September 3, 2021 12:20 PM
To: Min Jee Kim
Subject: Thank you for submission of your PAGA Case.

9/3/2021

LWDA Case No. LWDA-CM-843457-21
Law Firm : Wilshire Law Firm, PLC
Plaintiff Name : Lawson Lakisha
Employer: Balboa Nursing & Rehabilitation Center Filing Fee : $75.00 IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

Exhibit 2

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Lakisha Lawson ("Plaintiff") and defendant Balboa Nursing & Rehabilitation Center ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Lakisha Lawson v. Balboa Nursing & Rehabilitation Center,* Case No. 37-2021-00050317-CU-OE-CTL, initiated on November 30, 2021 and pending in Superior Court of the State of California, County of San Diego.

1.2. "Administrator" means Apex Class Action Administration the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee" means a person employed by Defendant in California and classified as a non-exempt or hourly-paid employee who worked for Defendant during the PAGA Period.

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

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. "Court" means the Superior Court of California, County of San Diego.

1.8. "Defense Counsel" means Grace Y. Horoupian and Kyley S. Murer of Fisher Phillips LLP.

1.9. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment assuming no appeal is filed; or (b) if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for writ of certiorari) resulting in final judicial approval of the Settlement.

1.10. "Gross Settlement Amount" means $346,500.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Representative Service Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.11. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.12. "Judgment" means the judgment entered by the Court based upon the Approval Order.

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

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

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

1.16. "PAGA Counsel" means Benjamin H. Haber, Daniel J. Kramer, Angela Leong, and Alan Wilcox of Wilshire Law Firm, PLC, the attorneys representing the Plaintiff in the Action.

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

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

1.19. "PAGA Period" means the period from September 3, 2020 to March 21, 2024.

1.20. "PAGA Representative Service Award" means the payment of the PAGA Representative for initiating the Action and providing services in support of the Action.

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

"PAGA Notice" means Plaintiff's September 3, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.22.

"PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.

1.23. "Plaintiff" means Lakisha Lawson, the named plaintiff in the Action.

1.24. "Approval Order" means the Court Order Granting Approval of PAGA Settlement.

1.25. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

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

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

1.28. "Defendant" means named Defendant Balboa Nursing & Rehabilitation Center.

2. RECITALS.

2.1. On November 30, 2021, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for civil penalties under the Private Attorneys General Act ("PAGA") for Defendant's purported failure to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide legally compliant meal periods, failure to authorize and permit rest periods, failure to timely pay final wages at termination, failure to furnish accurate itemized wage statements, and failure to indemnify for necessary business expenditures. The Complaint is the operative complaint in the Action (the "Operative Complaint.") Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On March 21, 2024, the Parties participated in an all-day mediation presided over by Jill R. Sperger, Esq., which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, including Plaintiff's personnel files, payroll and time records for the Aggrieved Employees, and Defendant's policies and procedures in effect during the PAGA Period.

2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay $346,500.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:

3.2.1. To PAGA Representative Plaintiff: PAGA Representative Service Award to Plaintiff of not more than $10,000.00 (in addition to any Individual PAGA Payment the Plaintiff is entitled to receive as an Aggrieved Employee). Defendant will not oppose Plaintiff's request for a PAGA Representative Service Award that does not exceed this amount. If the Court approves a PAGA Representative Service Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the PAGA Representative Service Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the PAGA Representative Service Awards.

3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33 1/3% which is currently estimated to be $115,500.00 and PAGA Counsel Litigation Expenses Payment of not more than $25,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $ 6,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $6,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties be paid from the Net Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates that Aggrieved Employees worked a total of 21,000 PAGA Pay Periods during the PAGA Period.

4.2. Aggrieved Employee Data. Within 30 days of execution of this Agreement, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all PAGA Representative Service Award, Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

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

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

5. **RELEASES OF CLAIMS**. Effective on the date when Defendant fully funds the entire Gross Settlement Amount Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. Plaintiff's release will also include dismissal of the separate action entitled *Lakisha Lawson v. Balboa Nursing & Rehabilitation Center*, filed on August 31, 2021, in the San Diego County Superior Court, Case No. 37-2021-00037281-CU-OE-CTL (the "Separate Action"). The Separate Action originally commenced as a class action but was ultimately compelled to individual arbitration. The Separate Action has been stayed pending completion of the individual arbitration. Plaintiff will dismiss this Separate Action, specifically Plaintiff's individual claims with prejudice and any remaining class claims without prejudice no later than (5) business days following the Effective Date.

5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice, including but not limited to, any claims for civil penalties based on failure to pay overtime wages; failure to pay overtime wages at the appropriate regular rate of pay; failure to pay minimum wages; any claims for additional wages owed due to "off the clock" work; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due; failure to indemnify for necessary expenditures; failure to pay all wages earned at least twice during each calendar month; waiting time penalties; wage statement violations failure to keep and maintain accurate payroll records; unfair competition under Bus. & Prof. Code section 17200 et seq. (in connection with the allegations brought in the Action); violation of Labor Code sections 201, 203, 204, 210, 226, 226.7, 510, 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 2802, and the applicable Wage Order and/or claims for attorneys' fees under Code of Civil Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289. .

5.3. Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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

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

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected Apex Class Action Administration to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action Administration agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE. Based on its records, Defendant estimates that, as of the date of this Settlement Agreement that Aggrieved Employees worked 21,000 Pay Periods during the PAGA Period. In the event the number of pay periods increases by more than 10% (or 2,100) pay periods, then Defendant shall, at its option, either (1) increase the GSA proportionally by the pay period in excess of 23,100 pay periods; or (2) cap the PAGA release period as of the date that the 10% of the pay periods is exceeded.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

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

10.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

10.10. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

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

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

10.13. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.14. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Benjamin H. Haber
benjamin.haber@wilshirelawfirm.com
Daniel J. Kramer
daniel.kramer@wilshirelawfirm.com
Angela Leong
angela.leong@wilshirelawfirm.com
Alan Wilcox
alan.wilcox@wilshirelawfirm.com
Wilshire Law Firm, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017
Telephone: (213) 784-3830
Facsimile: (213) 381-9989

To Defendant:

Grace Y. Horoupian
ghoroupian@fisherphillips.com
Kyley S. Murer
kmurer@fisherphillips.com
Fisher & Phillips LLP
2050 Main Street, Suite 1000
Irvine, California 92614
Telephone: (949) 851-2424
Facsimile: (949) 851-0152

10.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 2/13/2026

DocuSigned by:
A540D22253D641E...

Lakisha Lawson
Plaintiff

Dated: 2/13/2026

WILSHIRE LAW FIRM, PLC
Benjamin H. Haber
Daniel J. Kramer
Angela Leong
Alan Wilcox

Attorneys for Plaintiff

Dated: 02/18/2026

Dallin Benson

BALBOA NURSING & REHABILITATION CENTER

By: Dallin Benson

Its:

Dated: 02/18/20266

FISHER & PHILLIPS LLP

Grace Y. Horoupian

Kyley Murer

Attorneys for Defendant

NOTICE OF SETTLEMENT OF PAGA REPRESENTATIVE ACTION

Lakisha Lawson v. Balboa Nursing & Rehabilitation Center,
Superior Court for the State of California, County of San Diego Case No. 37-2021-00050317-CU-OE-CTL

Aggrieved Employee
Address
Address

You are receiving this notice in connection with a Court-approved settlement (the "Settlement") in the lawsuit entitled *Lakisha Lawson v. Balboa Nursing & Rehabilitation Center,* filed in the San Diego County Superior Court for the State of California, Case No. 37-2021-00050317-CU-OE-CTL (the "Action"), brought on a representative basis under the Labor Code Private Attorneys General Act of 2004, codified at California Labor Code section 2698, *et seq*. ("PAGA"). The Plaintiff in the lawsuit is Lakisha Lawson ("Plaintiff") and the Defendant is Balboa Nursing & Rehabilitation Center ("Defendant"). The Settlement provides for recovery of civil penalties for alleged violations of the California Labor Code on behalf of all hourly-paid, non-exempt employees who worked for Defendant in the State of California ("Aggrieved Employees") between September 3, 2020 through March 21, 2024 (the "PAGA Period). The PAGA statute provides that 75% of any recovery pursuant to the Settlement be paid to the State of California and 25% of any recovery be paid to the "aggrieved employee" group, which in this case is the group of Aggrieved Employees.

Defendant denies all claims and allegations in the Action, denies that it owes any penalties, and asserts that it has fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendant has settled the Action. By settling the lawsuit, Defendant is not admitting that it has done anything wrong.

The Settlement resolves all legal claims and factual or legal theories/allegations that are alleged in the operative complaint at the time of the motion for approval of this Settlement, including, but not limited to, Plaintiff's release and release by PAGA Counsel. Additionally, all Aggrieved Employees shall be deemed to release the Released Parties from any and all claims, known or unknown, for civil penalties under California Labor Code section 2698 *et seq.* (PAGA) that: were asserted in any complaint filed in the Action and/or Plaintiff's letter(s) to the LWDA (including any subsequently amended complaints or letters); and/or that could have been asserted in any complaint filed in the Action and/or any of Plaintiff's letter(s) to the LWDA (including any subsequently amended complaints or letters) based on or related to the facts and/or allegations in any complaint filed in the Action and/or Plaintiff's letter(s) to the LWDA (including any subsequently amended complaints or letters). This release includes, but is not limited to, claims for PAGA civil penalties premised on: California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 245 *et. seq.*, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, and all applicable IWC Wage Orders; minimum wages; overtime, including all claims related to the calculation thereof; pay for all hours worked/compensation due for services; off-the-clock work; time rounding; calculation of the regular rate of pay; meal periods; rest periods; meal and/or rest period premiums, including all claims related to the calculation thereof; wage statements; timeliness of wages; payment of wages at termination; maintaining accurate and complete records; and business expenses (the "Released PAGA Claims"). The release shall run through the PAGA Period. The Aggrieved Employees may hereinafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims and causes of action in the Action which are the subject matter of the Released PAGA Claims. Regardless, the discovery of new facts shall in no way limit the scope or definition of the Released PAGA Claims, and by virtue of this Agreement, the Aggrieved Employees shall be deemed to have, and by operation of the final judgement approved by the Court, shall have, fully, finally, and forever settled and released all of the Released PAGA Claims. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the PAGA Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the operative complaint and the PAGA Notice.

The "Released Parties" means Defendant and its parent or subsidiary corporations; and each of their present, former, or future owners, officers, directors, shareholders, partners, employees, insurers, successors, predecessors, contractors, assigns, and managing agents; any and all agents, legal representatives and/or attorneys of all of the foregoing entities and individuals and any entities that Plaintiff and/or any Aggrieved Employee may assert are joint employers with Balboa Nursing & Rehabilitation Center

By an Order dated [], the Superior Court of California approved the Settlement of the Released PAGA Claims. By approving the Settlement, the Court did not decide in favor of either Plaintiff or Defendant.

According to Defendant's records, you are an Aggrieved Employee and are therefore entitled to a share of the Settlement based upon the Court-approved allocation. Enclosed with this Notice is your check for your share. The settlement check shall remain valid for one hundred eighty (180) days. Thereafter, all uncashed checks shall be canceled, and funds associated with such checks shall be considered unpaid, unclaimed, or abandoned cash pursuant to Code of Civil Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil Procedure section 384, shall be transmitted to the California Controller's Unclaimed Property Fund, in the name of anyone who did not cash their check.

Please Note: One hundred percent (100%) of the payment you are receiving in connection with the Settlement will be considered penalties reported on IRS Form 1099, and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your settlement payment. Neither Plaintiff nor Defendant have made any representations or warranties regarding the taxation of your settlement payment. Nothing in this Notice or any other communication shall constitute or be construed or relied upon as tax advice.

PLEASE DO NOT CALL OR WRITE THE COURT OR OFFICE OF THE CLERK TO ASK QUESTIONS ABOUT THE SETTLEMENT. IF YOU HAVE ANY QUESTIONS, YOU MAY CALL OR WRITE TO THE SETTLEMENT ADMINISTRATOR AT:

[ADMIN NAME]
[ADDRESS]
[ADDRESS]
[ADDRESS]

Exhibit 3

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Case Information

Case Number: LWDA-CM-843457-21
Plaintiff for PAGA Case: Lawson Lakisha
Filer/Attorney for PAGA Case: Justin Marquez
Law Firm for PAGA Plaintiff: Wilshire Law Firm, PLC
Employer: Balboa Nursing & Rehabilitation Center
Date Case Received:
Employer Filer Firm:
Court Type: California Superior Courts
Court Name: San Diego County Superior Court
PAGA Court Case Number: 37-2021-00037281-CU-OE-CTL
Violation Type:
Related BOFE Case:

Attachments

Attachment Name	Description	Date Submitted	Type
Amended Notice Submitted on 03/14/2022 11:41:49 AM by Justin Marquez	2022 03-14 Balboa Nursing Rehab Center - Amended PAGA Letter (FINAL).pdf	03/14/2022 11:41 AM	Amended Notice
Court Complaint Submitted on 12/31/2021 11:08:00 AM by Justin Marquez	2021 11-30 Balboa Nursing and Rehab PAGA complaint (CONFORMED).pdf	12/31/2021 11:08 AM	Court Complaint
PAGA Notice Submitted on 09/03/2021 12:19:59 PM by Justin Marquez	2021 09-03 Balboa Nursing & Rehab Center - PAGA Letter (FINAL).pdf	09/03/2021 12:20 PM	PAGA Notice
Proposed Settlement Submitted on 04/17/2026 02:04:38 PM by Alan Wilcox	2026 02-13 Balboa PAGA Settlement Agreement (FULLY EXECUTED).pdf	04/17/2026 02:04 PM	Proposed Settlement

Exhibit 4

APEX CLASS ACTION ADMINISTRATION

Quotation Request:		**Case Name:**	**Lawson v. Balboa Nursing & Rehabilitation (**
Daniel Kramer		Date:	Monday, July 28, 2025
Wilshire Law Firm		RFP Number:	205630005
daniel.kramer@wilshirelawfirm.com			

Prepared By:
Michael Sutherland
Apex Class Action LLC
mike@apexclassaction.com
321.223.5067

Settlement Specifications	
Number of Aggrieved Employees	**625**
Certified Language Translation:	**No**
Static Settlement Website	**No**
Percentage of Undeliverable Mail	**20%**

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	$125.00	2	$250.00
Data Analyst	Per Hour	$150.00	2	$300.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of $150/hr.				
			Sub Total:	$550.00
Project Management				
Project Management	Per Hour	$150.00	3	$450.00
Project Coordinator	Per Hour	$90.00	2	$180.00
Data Analyst and Reporting	Per Hour	$140.00	2	$280.00
			Sub Total:	$910.00
Toll-Free Contact Center, Website, Reporting & Pre-Distribution				
Form Set Up	Per Hour	$120.00	1	WAIVED
Bilingual Toll-Free Contact Center	Static Rate	$146.25	1	$146.25
NCOA Address Update (USPS)	Static Rate	$75.00	1	$75.00
Settlement Status Reports	Static Rate	$750.00	1	Waived
			Sub Total:	$221.25

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Distribution & Settlement Fund Management				
Settlement Calculations	Per Hour	$120.00	2	$240.00
Account Management and Reconciliation	Per Hour	$140.00	2	$280.00
Print & Mail Distribution Settlement Check (IRS Form 1099 if applicable)	Per Piece	$1.25	625	$781.25
USPS First Class Postage	Per Piece	$0.73	625	$456.25
Remail Distribution to Updated Address (Skip Trace)	Per Piece	$2.50	63	$156.25
Individual Income Tax Preparation & Reporting	Per Hour	$100.00	8	$800.00
QSF Income Tax Reporting (per calendar year)	Per Year	$1,250.00	1	$1,250.00
			Sub Total:	$3,963.75
Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	$135.00	1	$135.00
Project Management Reconciliation	Per Hour	$100.00	1	$100.00
Declarations	Per Hour	$120.00	1	$120.00
			Sub Total:	$355.00
			WILL NOT EXCEED:	**$6,000.00**

Thank you for your business!

APEX
CLASS ACTION ADMINISTRATION

Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. Services: Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. Payment Terms: As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. Incurred Expenses: In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. Invoicing: Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In the event of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. Case Duration: The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. Termination of Services: Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (I) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. Independent Contractor: As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. Limitation of Liability: The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. Indemnification: The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. Confidentiality: Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the party's concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of $1.50 per storage box for paper documents and $0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.

14. COMPLETE AGREEMENT. These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. Force Majeure: In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. Severability: This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. Nonwaiver: This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

Exhibit 5

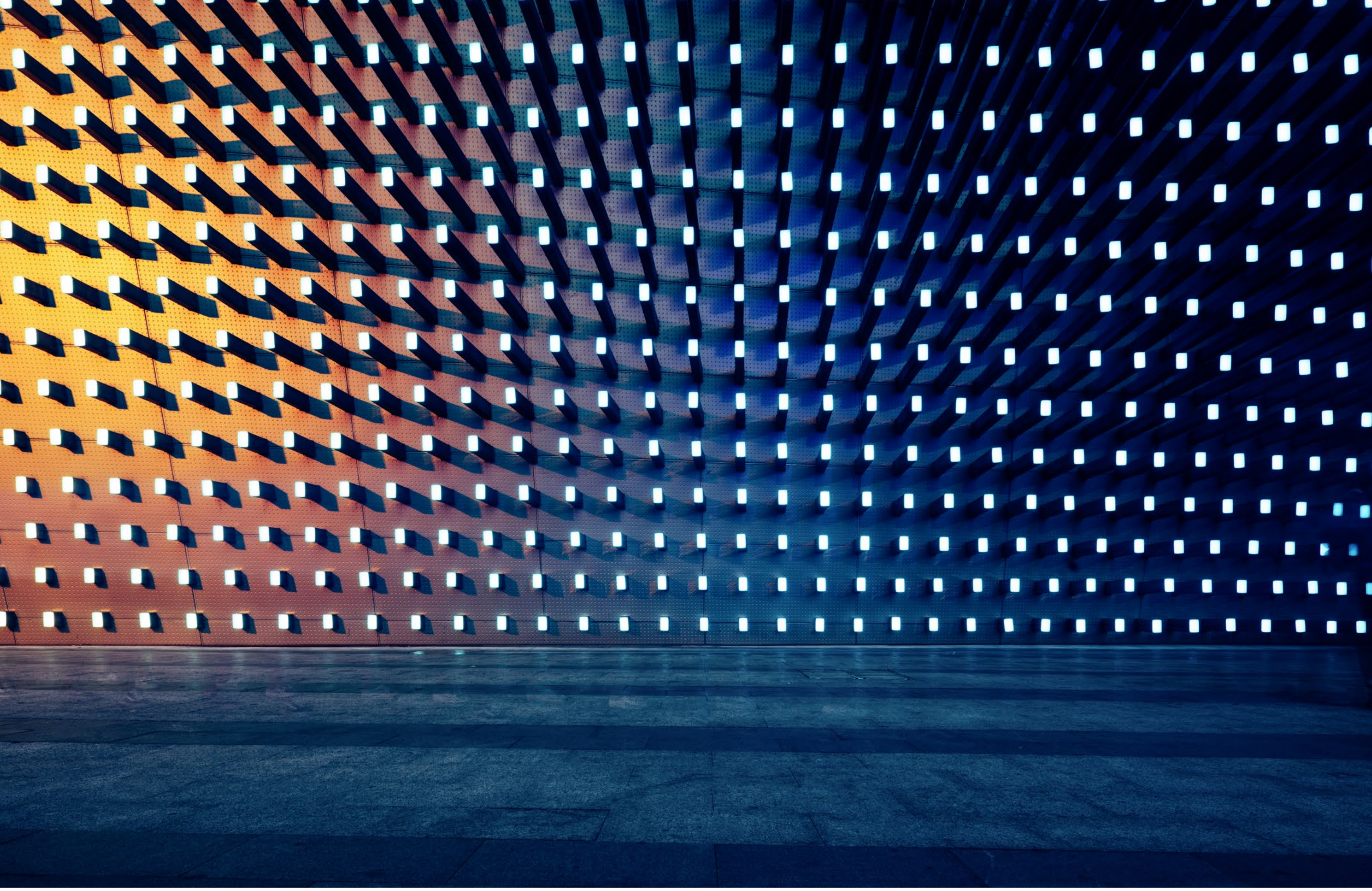
Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

11/8/2024
Accrual Basis

Type	Date	Num	Memo	Description	Amount	Balance
COS						
Mediation Fees						
	12/20/2023	617020	Mediation Fees - Judicate West	50% Mediation Fee s...	$9,375.00	$9,375.00
Total MEDIATION FEES					$9,375.00	9,375.00
Consultant Fees						
	3/28/2024	11162	Consultant Fees - Berger Consulting Group, LLC	10.60 hours of work	$5,300.00	$5,300.00
	3/14/2024	INV104841-01-01	Consultant Fees - USA Express Legal & Investigati...	Asset Search	$1,335.00	$6,635.00
Total CONSULTANT FEES					$6,635.00	$6,635.00
Filing , Service and Document Purchase Fees						
	09/01/2021	39864	Filing Fees - Valpro Attorney Services, LLC	New Case Filing	$1,663.50	$1,663.50
	09/04/2021		Filing Fees - Department of Industrial Relations		$75.00	$1,738.50
	09/21/2021	40419	Filing Fees - Valpro Attorney Services, LLC	File POS	$45.00	$1,783.50
	09/21/2021	40376	Service Fees - Valpro Attorney Services, LLC	Summons & Complaint	$139.60	$1,923.10
	12/02/2021	42569	Filing Fees - Valpro Attorney Services, LLC	New Case Filing	$563.50	$2,486.60
	12/10/2021	42898	Filing Fees - Valpro Attorney Services, LLC	File POS	$45.00	$2,531.60
	12/10/2021	42860	Service Fees - Valpro Attorney Services, LLC	Summons & Complaint	$131.00	$2,662.60
	01/20/2022		Filing Fees - One Legal LLC	CMS	$12.35	$2,674.95
	01/21/2022		Filing Fees - One Legal LLC	Not of Jury Fee	$166.78	$2,841.73
	03/14/2022		Filing Fees - One Legal LLC	MPA, DEC, Other, Obj	$13.90	$2,855.63
	03/23/2022		Filing Fees - One Legal LLC	CMS	$13.38	$2,869.01
	03/29/2022		Filing Fees - One Legal LLC	Amended COM	$13.90	$2,882.91
	04/22/2022	46836	Filing Fees - Valpro Attorney Services, LLC	Notice of Order	$85.00	$2,967.91
	04/22/2022	46837	Filing Fees - Valpro Attorney Services, LLC	Notice of Order	$85.00	$3,052.91
	05/20/2022		Filing Fees - One Legal LLC	CMS	$13.90	$3,066.81
	07/07/2022		Filing Fees - One Legal LLC	CMS	$13.90	$3,080.71
	10/13/2022		Filing Fees - One Legal LLC	CMS	$12.87	$3,093.58
	10/17/2022		Document Purchase - Los Angeles Superior Court		$5.40	$3,098.98
	10/17/2022		Document Purchase - Los Angeles Superior Court		$7.00	$3,105.98
	10/18/2022		Filing Fees - One Legal LLC	Opp-Other-Req for Judicial Notice	$13.90	$3,119.88
	11/05/2022		Filing Fees - One Legal LLC	CMS	$13.90	$3,133.78
	11/17/2022		Document Purchase - San Diego Superior Court		$2.00	$3,135.78
	04/06/2023		Filing Fees - One Legal LLC	CMS	$14.36	$3,150.14
	05/25/2023		Filing Fees - One Legal LLC	CMS	$14.36	$3,164.50
	07/20/2023	20839631	Filing Fees - One Legal LLC	CMS	$14.36	$3,178.86
	01/22/2024	21994260	Filing Fees - One Legal LLC	Stipulation	$35.98	$3,214.84
	02/05/2024	22102641	Filing Fees - One Legal LLC	Notice	$15.39	$3,230.23
	03/12/2024	22400626	Filing Fees - One Legal LLC	Stipulation	$35.98	$3,266.21
	03/25/2024	22465289	Filing Fees - One Legal LLC	Entry of ord ntc	$15.39	$3,281.60
	04/11/2024	22658821	Filing Fees - One Legal LLC	CMS	$15.39	$3,296.99
	04/19/2024	22726697	Filing Fees - One Legal LLC	CMS	$15.39	$3,312.38
	06/06/2024	22400626(2)	Filing Fees - One Legal LLC		$1.00	$3,313.38
	06/06/2024	22465289(2)	Filing Fees - One Legal LLC		$1.00	$3,314.38
	06/06/2024	21994260(2)	Filing Fees - One Legal LLC		$1.00	$3,315.38
	06/06/2024	22102641(2)	Filing Fees - One Legal LLC		$1.00	$3,316.38
	07/22/2024	23362312	Filing Fees - One Legal LLC	CMS	$20.02	$3,336.40
	11/08/2024	24114436	Filing Fees - One Legal LLC	CMS	$19.31	$3,355.71

	08/28/2025	25996122	Filing Fees - One Legal LLC	Court Filing-Change of Address	$23.63	$3,379.34
	09/05/2025	26241877	Filing Fees - One Legal LLC	Court Filing-CMS	$23.63	$3,402.97
	12/05/2025	26944580	Filing Fees - One Legal LLC	Court Filing-CMS	$23.63	$3,426.60
	03/06/2026	27649448	Filing Fees - One Legal LLC	Court Filing-CMS	$24.73	$3,451.33
	FUTURE		Filing Fees - One Legal LLC		$150.00	$3,601.33
Total FILING, SERVICE AND DOCUMENT PURCHASE FEES					$3,601.33	$3,601.33
Other Costs						
	12/18/2023	E-3167778	Docusign Envelope		$1.89	$1.89
Total OTHER COSTS					$1.89	$1.89
TOTAL					**$19,613.22**	**$19,613.22**

Exhibit 6



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

A Letter to Our Readers • 4

Report Use Considerations • 5

Section I: High-Level Data Cuts • 8

- Partners, Associates, and Paralegals
- Partners, Associates, and Paralegals by Practice Area and Matter Type
- Partners and Associates by City
- Partners and Associates by City and Matter Type
- Partners by City and Years of Experience
- Associates by City and Years of Experience
- Partners and Associates by Firm Size and Matter Type

Section II: Industry Analysis • 63

- Partners, Associates, and Paralegals by Industry Group
- Partners and Associates by Industry Group and Matter Type
- Basic Materials and Utilities
- Consumer Goods
- Consumer Services
- Financials (Excluding Insurance)
- Health Care
- Industrials
- Technology and Telecommunications

Section III: Practice Area Analysis • 84

- Bankruptcy and Collections
- Commercial
- Corporate: Mergers, Acquisitions, and Divestitures
- Corporate: Regulatory and Compliance
- Corporate: Other
- Employment and Labor
- Environmental
- Finance and Securities
- General Liability (Litigation Only)
- Insurance Defense (Litigation Only)
- Intellectual Property: Patents
- Intellectual Property: Trademarks
- Intellectual Property: Other
- Real Estate

Section IV: In-Depth Analysis for Select US Cities • 172

- Boston, MA
- Chicago, IL
- Los Angeles, CA
- New York, NY
- Philadelphia, PA
- San Francisco, CA
- Washington, DC

Section V: International Analysis • 191

Section VI: Matter Staffing Analysis • 221

Appendix: Data Methodology • 226

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.

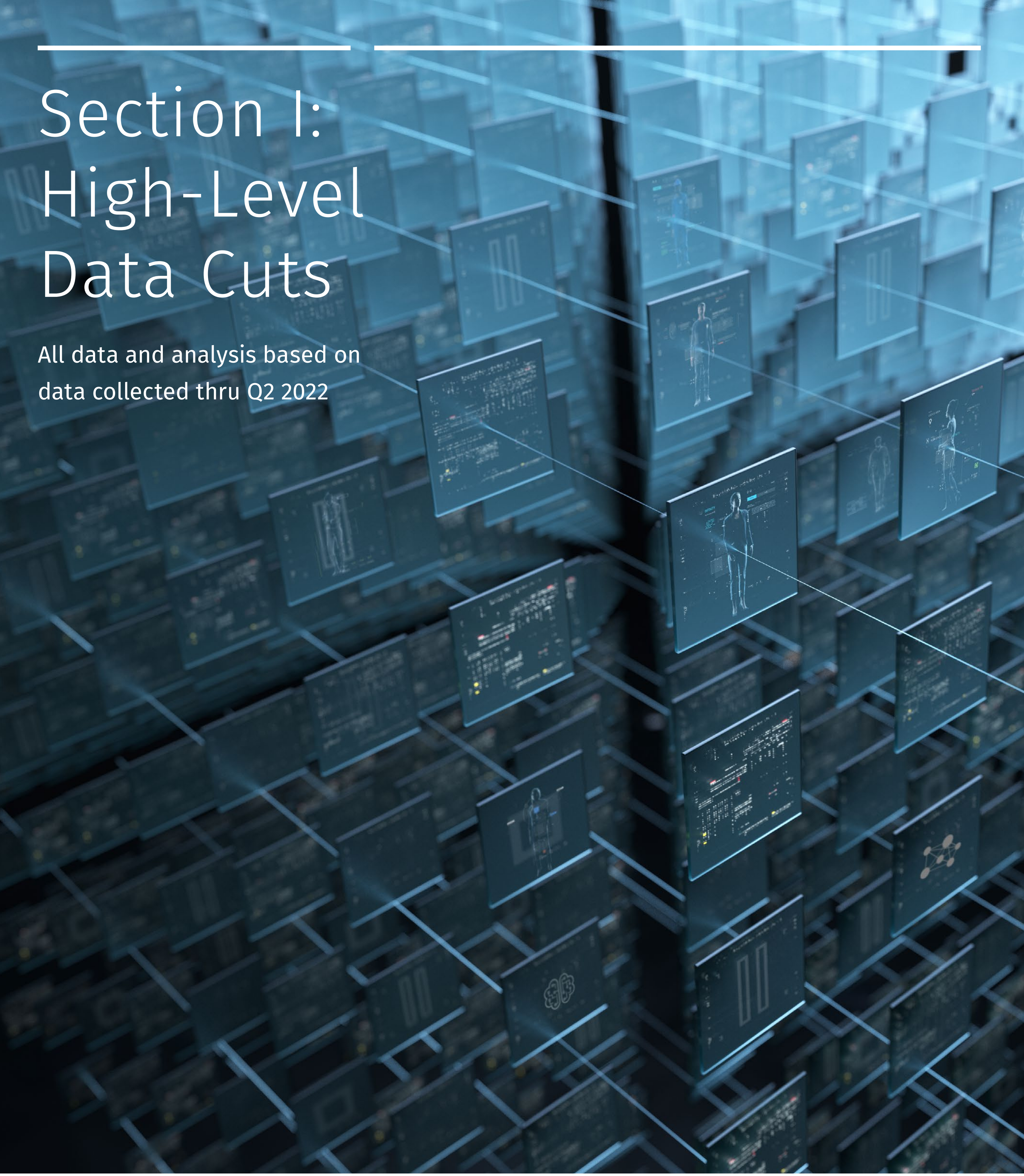
Litigation complexity - The cost of representation will be higher if the case is particularly complex or time-consuming; for example, if there are a large number of documents to review, many witnesses to depose, and numerous procedural steps, the case is likely to cost more (regardless of other factors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

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

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**

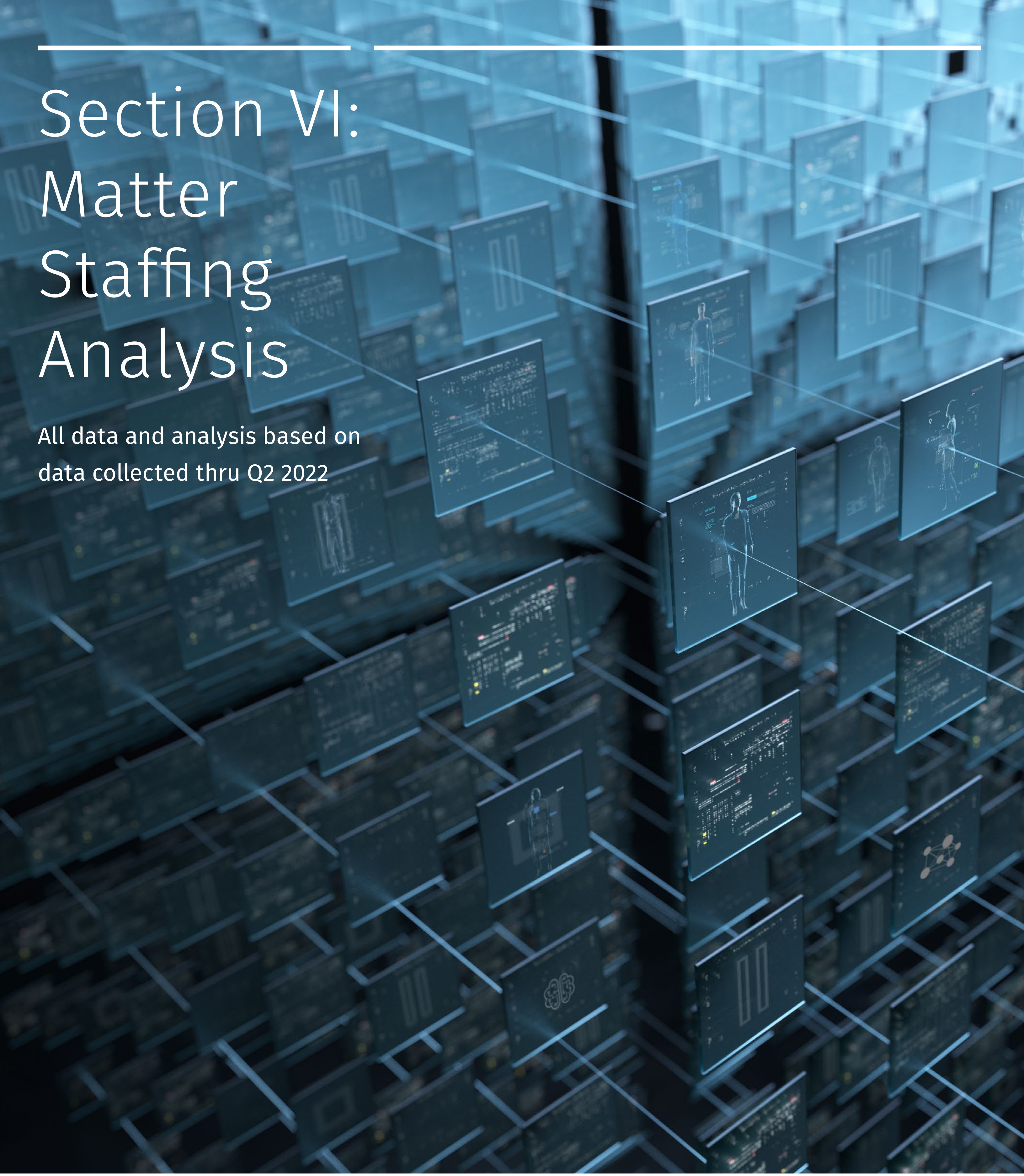
City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	3 to Fewer Than 7 Years	15	$270	$325	$360	$318	$295	$283
	7 or More Years	28	$292	$334	$391	$333	$312	$302
Los Angeles CA	Fewer Than 3 Years	63	$429	$595	$654	$556	$524	$488
	3 to Fewer Than 7 Years	144	$486	$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



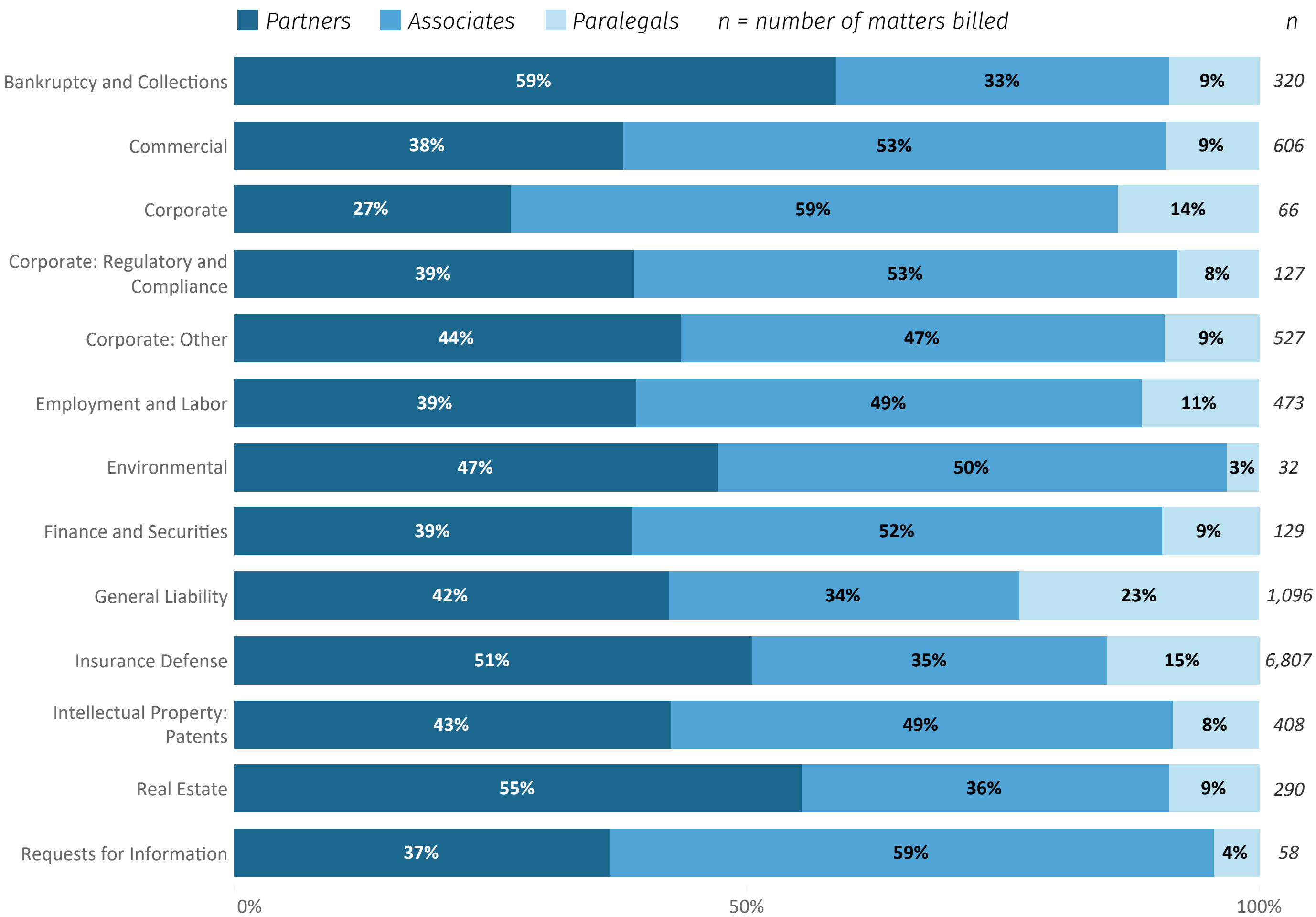
Section VI: Matter Staffing Analysis

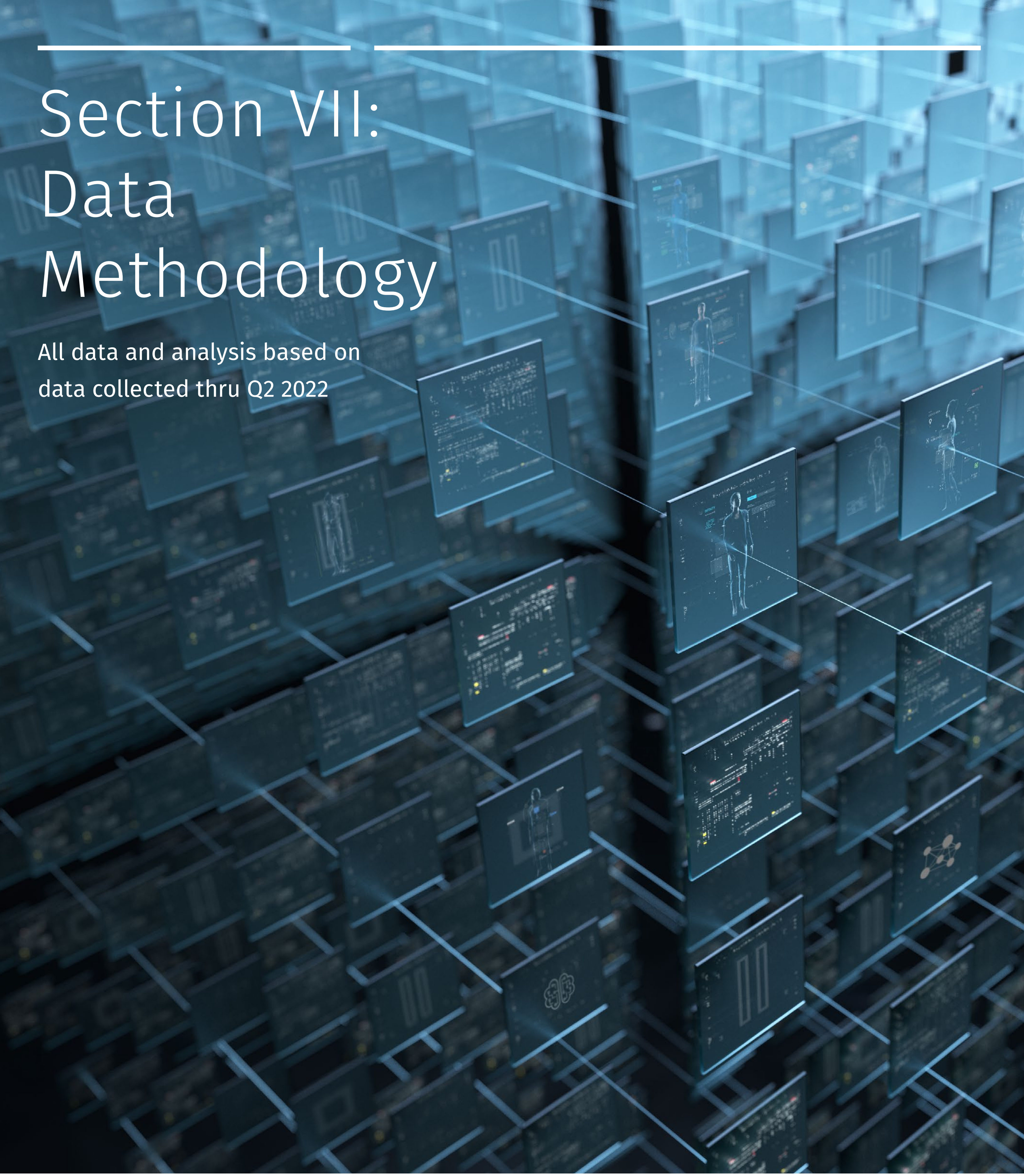
All data and analysis based on data collected thru Q2 2022

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 7

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.

00:00:00

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

To contact the reporter on this story: Roy Strom in Chicago at rstrom@bloomberglaw.com

To contact the editors responsible for this story: Chris Opfer at copfer@bloomberglaw.com; John Hughes at jhughes@bloomberginustry.com

Documents

Trustee's Objection

Related Articles

Overworked Big Law Can't Find Enough Lawyers With Demand Surging — Dec. 9, 2021, 3:00 AM

Never Underestimate Big Law's Ability to Raise Billing Rates — Aug. 12, 2021, 3:00 AM

Law Firms

Simpson Thacher
Hogan Lovells
Jones Day
Skadden
Sidley Austin
Quinn Emanuel
Cravath Swaine & Moore
Latham & Watkins
Kirkland & Ellis
Boies Schiller Flexner

Topics

expert fees
compensation of bankruptcy attorney
acquisitions
U.S. trustees
financial markets
client-paid legal fees
data breaches

Companies

Johnson & Johnson
Thomson Reuters Corp