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Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

KANIA PATON, SIM ASTRONOMO,
GERARDO SANDOVAL, KEVIN SANDOVAL,
MELISSA SANDOVAL, EULALIA
CARVENTE, OLEGARIO ENCARNACION,
GRACIELA JIMENEZ GONZALEZ, and
SILVIA HERNANDEZ, individually, and on
behalf of all others similarly situated,

Plaintiffs,

v.

RUGGABLE LLC, a Delaware limited liability
company; and DOES 1 through 10, inclusive,

Defendants.

Case No. 21STCV44381

**CLASS AND REPRESENTATIVE
ACTION**

*[Assigned for all purposes to Hon. Wendy
Chang, Dept. 36]*

**DECLARATION OF JUSTIN F.
MARQUEZ IN SUPPORT OF
PLAINTIFFS' MOTION FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT**

FINAL APPROVAL HEARING

Date: October 3, 2024
Time: 8:30 a.m.
Dept.: 36

Complaint filed: December 6, 2021
FAC filed: October 31, 2023
Trial date: Not set

1. I am admitted, in good standing, to practice as an attorney in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Senior Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiffs Kania Paton, Sim Astronomo, Gerardo Sandoval, Kevin Sandoval, Melissa Sandoval, Eulalia Carvente, Olegario Encarnacion, Graciela Jimenez Gonzalez, and Silvia Hernandez (collectively, “Plaintiffs”). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiffs’ Motion for Final Approval of Class Action Settlement.

CASE BACKGROUND

3. Plaintiffs allege that Defendant's payroll, timekeeping, and wage and hour practices resulted in Labor Code violations. Plaintiffs allege that Defendant failed to pay all minimum and straight-time wages owed, Defendant failed to pay for all overtime, Defendant had a policy and practice of not providing its employees with California-compliant meal and rest periods which it did not pay appropriate payments for, and Defendant failed to reimburse employees for necessary business expenses. Defendant denies these claims and denies that any wages or penalties are owed to the putative class or alleged aggrieved employees. Based on these allegations, Plaintiffs assert related claims for failure to provide accurate wage statements, failure to pay all final wages at termination, unfair business practices, and civil penalties under PAGA. Defendant denies these allegations.

1 4. On December 6, 2021, Plaintiff Kania Paton filed a PAGA representative action
2 on behalf of herself and all hourly-paid, non-exempt employees in California against Defendant
3 for failure to pay for all hours worked (including minimum, straight time, and overtime wages),
4 failure to provide Plaintiff with legally compliant meal periods, failure to authorize and permit
5 Plaintiff to take rest periods, failure to pay all wages earned twice per month, failure to maintain
6 accurate records, failure to timely pay all final wages to Plaintiff when Defendant terminated
7 her employment, failure to furnish accurate wage statements to Plaintiff and failure to indemnify
8 Plaintiff for necessary business expenditures. On October 1, 2021, Plaintiff Paton sent a notice
9 to Defendant and the California Labor & Workforce Development Agency (“LWDA”) alleging
10 wage-and-hour violations pursuant to PAGA. The PAGA notice was amended to add Plaintiff
11 Sim Astronomo on December 9, 2021. Thereafter, Plaintiff Graciela Jimenez Gonzalez also
12 submitted a separate PAGA notice to the LWDA and Defendant on June 8, 2023.

13 5. The operative complaint is the First Amended Complaint deemed filed on October
14 31, 2023, pursuant to a stipulation submitted by the Parties and granted by the Court. Plaintiff’s
15 First Amended Complaint adds Plaintiffs Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo
16 Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and
17 Silvia Hernandez and includes class claims for the failure to: (1) pay minimum and straight time
18 wages; (2) pay overtime wages; (3) provide meal periods; (4) authorize and permit rest periods;
19 (5) timely pay final wages at termination; (6) provide accurate itemized wage statements or
20 maintain accurate time records; (7) indemnify employees for expenditures; and (8) unfair
21 business practices.

22 DISCOVERY, INVESTIGATION, AND SETTLEMENT

23 6. Following the filing of the Complaint, the Parties exchanged documents and
24 information before mediating this action. Defendant produced a sample of time and pay records
25 for class members. Defendant also provided documents of its wage and hour policies and practices
26 during the class period, and information regarding the total number of current and former
27 employees in its informal discovery responses.

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7. After reviewing documents regarding Defendant’s wage and hour policies and practices and analyzing Defendant’s timekeeping and payroll records, Class Counsel was able to evaluate the probability of class certification, success on the merits, and Defendant’s estimated maximum monetary exposure for all claims. Class Counsel also investigated the applicable law regarding the claims and defenses asserted in the litigation, including Defendant’s argument that many putative class members signed arbitration agreements and class waivers. Class Counsel reviewed these records and prepared a damage analysis assessing Defendant’s potential liability prior to mediation.

8. On June 8, 2022, certain Plaintiffs participated in private mediation with experienced class action mediator Lisa Klerman, Esq. The Parties did not settle following this mediation. On January 19, 2023, now with the involvement of all Plaintiffs, the Parties participated in another private mediation with Ms. Klerman. The mediation was conducted via Zoom. 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. After extensive negotiations and discussions regarding the strengths and weaknesses of Plaintiffs’ claims and Defendant’s defenses, the Parties reached a settlement the material terms of which are encompassed within the Settlement Agreement. Attached as **Exhibit 1** is a true and correct copy of the Class Action and PAGA Settlement Agreement and Class Notice (“Settlement Agreement”).

9. Class Counsel has conducted a thorough investigation into the facts of this case. Based on the foregoing discovery and their own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members in light of all known facts and circumstances, the risk of significant delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial risk, and appellate risk.

10. The settlement obviates the significant risk that certification may be denied for all or some of Plaintiffs’ claims. While Plaintiffs are confident in the merits of their claims, a

legitimate controversy exists as to each cause of action. Plaintiffs also recognize that proving the amount of wages due to each class member would be an expensive, time-consuming, and uncertain proposition. Furthermore, even if Plaintiffs obtained certification of all or some of the claims, continued litigation would be expensive, involving a trial and possible appeals, and would substantially delay and reduce any recovery by the class.

11. The Court granted Plaintiffs' Motion for Preliminary Approval of the Settlement on March 26, 2024. The deadline for class members to opt out or object to the Settlement was July 30, 2024. The reaction of the Class to the settlement has been overwhelmingly positive. Indeed, as of the filing of this Motion, no Class Member has opted out of the settlement, and no Class Members have objected to the settlement.

12. The proposed Settlement Agreement was provided to the LWDA in advance of Plaintiffs filing their Motion for Preliminary Approval.

ENHANCEMENT AWARDS FOR PLAINTIFFS ARE REASONABLE

13. Class Counsel represent that Plaintiffs devoted a great deal of time and work assisting counsel in the case, communicated with counsel very frequently for litigation and to prepare for mediation, and were frequently in contact with Class Counsel during the mediation. Plaintiffs' requested enhancement awards are reasonable particularly in light of the substantial benefits Plaintiffs generated for all class members.

14. Throughout this litigation, Plaintiffs, who are former employees of Defendant, have cooperated immensely with my office and has taken many actions to protect the interests of the class. Plaintiffs provided valuable information regarding unpaid overtime, meal period, and rest period claims. Plaintiffs also informed my office of developments and information relevant to this action, participated in decisions concerning this action, made themselves available to answer questions during the mediation, and provided my office with the names and contact information of potential witnesses in this action. Before we filed this case, Plaintiffs provided my office with several documents, including policy documents, and communications from Defendant regarding the claims alleged in this action. The information and documentation provided by Plaintiffs was instrumental in establishing the wage and hour violations alleged in this action, and the recovery

provided for in the Settlement Agreement would have been impossible to obtain without Plaintiffs' participation.

15. At the same time, Plaintiffs faced many risks in adding themselves as the class representatives in this matter. Plaintiffs faced actual risks with their future employment, as putting themselves on public record in an employment lawsuit could also very well affect their likelihood for future employment. Furthermore, as part of this settlement, Plaintiffs are executing a general release of all claims against Defendant.

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

17. In the final analysis, this class action would not have been possible without the aid of Plaintiffs, who put their own time and effort into this litigation, sacrificed the value of their own individual claims, and placed themselves at risk for the sake of the class members. The requested enhancement awards for Plaintiffs for their service as the class representatives and for their general release of all individual claims is a relatively small amount of money when the time and effort put into the litigation are considered and in comparison to enhancements granted in other class actions. The requested incentive award is therefore reasonable to compensate Plaintiffs for their active participation in this lawsuit. Indeed, in *Karl Adams, III, et al. v. MarketStar Corporation*, et al., No. 2:14-cv-02509-TLN-DB, a wage and hour class action alleging that class members were misclassified as exempt outside salespersons, I was co-lead Class Counsel and helped negotiate a \$2.5 million class action settlement for 339 class members, and the court approved a \$25,000.00 class representative incentive award for each named plaintiff.

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THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

18. The settlement provides for attorney's fees and costs to Class Counsel in an amount up to 33 and 1/3% of the Gross Settlement Amount, for a maximum fees award of \$303,333.33, plus reasonable litigation expenses of up to \$30,000.00.

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

Person	Role	Hours	Rate	Lodestar
Justin F. Marquez	Senior Partner (14+ years)	42.5	\$1,500	\$63,750.00
Arsiné Grigoryan	Associate Attorney (Year)	33.6	\$800	\$26,880.00
Bradford Smith	Settlement Attorney (2nd Year)	12.5	\$450	\$5,625.00
Total:		88.6		\$96,255.00

20. Wilshire Law Firm PLC has spent over 85 hours litigating this Action to bring it to resolution, not including time which will be expended monitoring the administration of the settlement and distribution of funds to the Class Members. Additionally, Garay Law has incurred over 102 hours litigating this action. The efforts expended by Plaintiffs' counsel to achieve this result include, but are not limited to, the following:

- a. the investigation of the matter, including meeting with Plaintiffs, reviewing Defendant's policies, and requesting and reviewing Plaintiffs' time and pay records, personnel files, and exploring the corporate structure of Defendant;
- b. filing the Action;
- c. attending status conferences and meeting and conferring with Defendant regarding the case;
- d. drafting written formal discovery;
- 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 Plaintiffs to perform analyses of liability and exposure prior to attendance of the mediation in this matter;

- 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 sessions by all Parties and Counsel;
- k. communicating with Plaintiffs who requested updates or other information regarding this matter;
- l. engaging in settlement negotiations, followed by finalizing and fully executing the settlement agreement;
- m. preparing and assisting in the drafting of the Motion for Preliminary Approval and supporting documents;
- n. communicating with class members who sought additional information regarding the settlement, including answering questions regarding the settlement and obtaining updated addresses from class members for purposes of receiving the class notices and administering the settlement checks;
- o. communicating with the Settlement Administrator to ensure the Class Notice was properly distributed and engaging in extensive follow-up communications with the Settlement Administrator regarding class members who sought additional information about the Settlement; and
- p. preparing the instant Motion for Final Approval and supporting documents.

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

22. 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.

23. I am informed and believe that the fee and costs provision is reasonable. The fee percentage requested is less than that charged by my office for most employment cases. My office

1 invested significant time and resources into the case, with payment deferred to the end of the case,
2 and then, of course, contingent on the outcome.

3 24. It is further estimated that my office will need to expend at least another 15 to 20
4 hours to monitor the process leading up to payments made to the class. My office also bears the
5 risk of taking whatever actions are necessary if Defendant fails to pay.

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

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

22 27. As of the drafting of this motion, my office has incurred around \$15,229.27 in
23 expenses litigating this action, and we anticipate accruing additional costs up to Final Approval of
24 the Settlement. These expenses were reasonably necessary to the litigation and were actually
25 incurred by my office. We also anticipate additional costs in the amount of \$300.00, which
26 includes the costs for filing Plaintiffs' Motion for Final Approval, the distribution compliance
27 report, and appearing at the hearing. Additionally, Garay Law has incurred about 10,089.63 in
28 expenses litigating this action. Accordingly, Plaintiffs' counsel respectfully requests

reimbursements of \$25,618.90 in expenses, which should be reimbursed in full. Attached as **Exhibit 2** is a list of the costs and the categories of costs for the costs incurred in this case to date.

PLAINTIFFS' COUNSEL'S EXPERIENCE AND QUALIFICATIONS

28. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms for every year since 2020 and is comprised of over 70 attorneys and over 500 employees. Wilshire Law Firm, PLC is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

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

30. I graduated from the 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*. As an undergraduate, I also received a scholarship to study abroad for one year at Tokyo University in Tokyo, Japan. I received my Juris Doctor from Notre Dame Law School in 2008.

31. My practice is focused on advocating for the rights of consumers and employees in class action litigation and appellate litigation. I am currently the primary attorney in charge of litigating several class action cases in state and federal courts across the United States.

32. I have received numerous awards for my legal work. From 2017 to 2020, Super Lawyers selected me as a "Southern California Rising Star," and from 2022 to 2024, I was selected as a "Southern California Super Lawyer." I was selected as one of the "Best Lawyers in America" in 2023 and 2024. In 2016 and 2017, the National Trial Lawyers selected me as a "Top 40 Under 40" attorney. In 2024, I, along with my colleagues at Wilshire Law Firm, received a CLAY (California Lawyer Attorneys of the Year) award for my work on a false advertising case against Apple which ultimately led to a \$25 million settlement. I am also rated 10.0 ("Superb") by

1 Avvo.com.

2 33. I am on the California Employment Lawyers Association (“CELA”)’s Wage and
3 Hour Committee and Mentor Committee. I have been selected to speak at multiple CELA
4 conferences throughout my career – in 2019, I spoke on the topic of manageability of class actions
5 at CELA’s 2019 Advanced Wage & Hour Seminar, and in 2024, I spoke on the topic of dealings
6 with multiple cases against the same defendant at CELA’s 2024 Advanced Wage & Hour Seminar.
7 Since 2013, I have actively mentored young attorneys through CELA’s mentorship program.

8 34. I am also a past member of the Consumer Attorneys of California (“CAOC”). In
9 2020, I was selected for a position on CAOC’s Board of Directors. I am also a past member of
10 CAOC’s Diversity Committee, and I helped assist the CAOC in defeating bills that harm
11 employees. Indeed, I recently helped assist Jacqueline Serna, Esq., Legislative Counsel for CAOC,
12 in defeating AB 443, which proposed legislation that sought to limit the enforceability of California
13 Labor Code § 226.

14 35. As the attorney responsible for day-to-day management of this matter at the
15 Wilshire Law Firm, PLC, I have over fourteen years of experience with litigating wage and hour
16 class actions. Over the last fourteen years, I have managed and assisted with the litigation and
17 settlement of several wage and hour class actions. In those class actions, I performed similar tasks
18 as those performed in the course of prosecuting this action. My litigation experience includes:

- 19 a. I served as lead or co-lead in negotiating class action settlements worth over \$10
20 million in gross recovery to class members for each year since 2020, including
21 over \$37.5 million in 2022 and over \$75 million in 2023.
- 22 b. I led a team of attorneys that successfully obtained class certification of meal
23 period, rest period, and related derivative claims on April 5, 2024 in *Aguilar-*
24 *Flores, et al., v. Javier’s CC LLC, et al.*, Los Angeles Superior Court, Case No.
25 19STCV36438 (Hon. Elihu M. Berle).
- 26 c. I was part of the team of attorneys that prevailed in *Moore v. Centrelake Medical*
27 *Group, Inc.* (2022) 83 Cal.App.5th 515, the first California appellate decision in
28 a data breach class action holding that consumer plaintiffs adequately alleged

injury in fact under the benefit of the bargain theory and monitoring-costs theory.

- d. In 2023, Top Verdict recognized Wilshire Law Firm and myself for having one case in the Top 20 Labor & Employment Settlements (including number 15 for the \$3.5 million settlement in Black & Decker Wage and Hour Cases) and three additional cases in the Top 50 Labor & Employment Settlements (number 21, 29, and 39).
- e. In 2022, Top Verdict recognized Wilshire Law Firm and myself for having one case in the Top 20 Labor & Employment Settlements (including number 19 for the \$4.1 million settlement in The FPI Management Wage and Hour Cases) and four additional cases in the Top 50 Labor & Employment Settlements (numbers 36, 39, 41, and 49).
- f. In 2021, Top Verdict recognized Wilshire Law Firm and myself for having one case in the Top 20 Labor & Employment Settlements (including number 19 for the \$1.6 million settlement in *Moreno v. Pretium Packaging, L.L.C*) and four additional cases in the Top 50 Labor & Employment Settlements (numbers 27, 30, 33, and 37).
- g. To my knowledge, I am the only attorney to appear on each of the following Top Verdict lists for 2018 in California: Top 20 Civil Rights Violation Verdicts, Top 20 Labor & Employment Settlements, and Top 50 Class Action Settlements.
- h. As lead counsel, on April 29, 2021, I prevailed against CVS Pharmacy, Inc. by winning class certification on behalf of hundreds of thousands of consumers for misleading advertising claims in *Joseph Mier v. CVS Pharmacy, Inc.*, U.S. Dist. Ct. C.D. Cal. no. SA CV 20-1979-DOC-(ADSx).
- i. As lead counsel, I prevailed against Bank of America by: winning class certification on behalf of thousands of employees for California Labor Code violations; defeating appellate review of the court's order certifying the class; defeating summary judgment; and defeating a motion to dismiss. (*Frausto v.*

1 *Bank of America, N.A.* (N.D. Cal. 2019) 334 F.R.D. 192, 2020 WL 1290302 (9th
2 Cir. Feb. 27, 2020), 2019 WL 5626640 (N.D. Cal. Oct. 31, 2019), 2018 W.L.
3 3659251 (N.D. Cal. Aug. 2, 2018).). The decision certifying the class in *Frausto*
4 is also discussed in Class Certification Under Fed. R. Civ. P. 23 in Action by
5 Information Technology or Call Center Employees for Violation of State Law
6 Wage and Hour Rules, 35 A.L.R. Fed. 3d Art. 8.

7 j. I was the primary author of the class certification and expert briefs in *ABM*
8 *Industries Overtime Cases* (2017) 19 Cal.App.5th 277, a wage and hour class
9 action for over 40,000 class members for off-the-clock, meal period, split shift,
10 and reimbursement claims. *ABM Industries Overtime Cases* is the first
11 published California appellate authority to hold that an employer’s “auto-deduct
12 policy for meal breaks in light of the recordkeeping requirements for California
13 employers is also an issue amenable to classwide resolution.” (*Id.* at p. 310.)¹
14 Notably, the Court of Appeal also held that expert analysis of timekeeping
15 records can also support the predominance requirement for class certification.
16 (*Id.* at p. 310-11.) In 2021, the case settled for \$140 million, making it one of
17 the largest ever wage and hour class action settlements for hourly-paid
18 employees in California.

19 k. I briefed, argued, and won *Yocupicio v. PAE Group, LLC* (9th Cir. 2015) 795
20 F.3d 1057. The Ninth Circuit ruled in my client’s favor and held that non-class
21 claims under California’s Private Attorney Generals Act (“PAGA”) cannot be
22 used to calculate the amount in controversy under the Class Action Fairness Act
23 (“CAFA”). This case is cited in several leading treatises such as Wright &
24 Miller’s Federal Practice & Procedure, and Newberg on Class Actions. In
25 October 2016, the U.S. Supreme Court denied review of a case that primarily
26

27 ¹ As a California district court observed before the *ABM Industries Overtime* decision, “[t]he case
28 law regarding certification of auto-deduct classes is mixed.” (*Wilson v. TE Connectivity Networks,*
Inc. (N.D. Cal. Feb. 9, 2017) No. 14-CV-04872-EDL, 2017 WL 1758048, *7.)

concerned Yocupicio. That effort was led by Theodore J. Boutrous, who brought the cert petition, with amicus support from a brief authored by Andrew J. Pincus.² Considering that leading Supreme Court practitioners from the class action defense bar were very motivated in undermining Yocupicio case, but failed, this demonstrates the national importance of the Yocupicio decision.

1. On December 13, 2018, the United States District Court granted final approval of the \$2,500,000 class action settlement in *Mark Brulee, et al. v. DAL Global Services, LLC* (C.D. Cal. Dec. 13, 2018) No. CV 17-6433 JVS(JCGx), 2018 WL 6616659 in which I served as lead counsel. In doing so, the Court found: “Class Counsel’s declarations show that the attorneys are experienced and successful litigators.” (Id. at p. *10.)
- m. *Gasio v. Target Corp.* (C.D. Cal. Sep. 12, 2014) 2014 U.S. Dist. LEXIS 129852, a reported decision permitting class-wide discovery even though the employer has a lawful policy because “[t]he fact that a company has a policy of not violating the law does not mean that the employees follow it, which is the issue here.” The court also ordered Defendants to pay for the cost of *Belaire-West* notice.
- n. In 2013, I represented a whistleblower that reported that his former employer was defrauding the State of California with the help of bribes to public employees. The case, a false claims (qui tam) action, resulted in the arrest and criminal prosecution of State of California employees by the California Attorney General’s Office.
- o. In 2013, I was part of a team of attorneys that obtained conditional certification for over 2,000,000 class members in a federal labor law case for misclassification of independent contractors that did crowdsourced work on the Internet, *Otey v. CrowdFlower, Inc.*, N.D. Cal. Case No. 12-cv-05524-JST

² <http://www.chamberlitigation.com/cases/abm-industries-inc-v-castro>.

(MEJ), resulting in the following pro-plaintiff reported decisions:

- 1) 2013 U.S. Dist. LEXIS 151846 (N.D. Cal. Oct. 22, 2013) (holding that an unaccepted Rule 68 offer doesn't moot plaintiff's claims, and granting plaintiff's motion to strike Defendants' affirmative defenses based on *Twombly/Iqbal*).
- 2) 2013 U.S. Dist. LEXIS 122007 (N.D. Cal. Aug. 27, 2013) (order granting conditional collective certification).
- 3) 2013 U.S. Dist. LEXIS 95687 (N.D. Cal. July 8, 2013) (affirming the magistrate judge's discovery ruling which held that "evidence of other sources of income is irrelevant to the question of whether a plaintiff is an employee within the meaning of the FLSA").
- 4) 2013 U.S. Dist. LEXIS 91771 (N.D. Cal. June 20, 2013) (granting broad discovery because "an FLSA plaintiff is entitled to discovery from locations where he never worked if he can provide some evidence to indicate company-wide violations").

p. From 2012 to 2013, I was part of a team of attorneys that obtained class certification for over 60,000 class members for off-the-clock claims, *Linares v. Securitas Security Services USA, Inc.*, Los Angeles Superior Court No. BC416555. We also successfully opposed subsequent appeals to the California Court of Appeal and California Supreme Court.

36. My current contingent billing rate of \$1,500 per hour is consistent with my actual billing rate for paid legal industry consulting services, my practice area, lead appellate experience in the Ninth Circuit Court of Appeals, numerous awards received, legal market and accepted hourly rates:

- a. I have been paid for legal industry consulting services at \$1,500 per hour by Gerson Lehrman Group (GLG), a company that provides financial information and advises investors and consultants with business clients seeking expert advice. GLG is one of the largest companies that provides expert consulting

services. GLG's clients include corporations, hedge funds, private equity firms, and consulting firms. I have worked with GLG on numerous occasions at a rate of \$1,500 per hour, including on three recent occasions in October and November of 2023.

b. On January 11, 2024, the Hon. Laurel Beeler of the United States District Court, Northern District of California approved my \$1,500 hourly rate when she granted final approval of the class action settlement in *Suarez v. Bank of America, N.A.* (N.D. Cal. Jan. 11, 2024), No. 18-cv-01202-LB, 2024 WL150721, *3 ("As for the lodestar cross-check, the billing rates are normal and customary for timekeepers with similar qualifications and experience in the relevant market.")

c. My \$1,500 hourly rate was approved by many California state courts:

1) On December 8, 2023, the Hon. Marcella O. McLaughlin of the San Diego County Superior Court approved my \$1,500 hourly rate when she granted final approval of the class action settlement in *Payabyab v. Bridge Hospice, LLC*, Case No. 7-2021-00046218-CU-OE-CTL.

2) On January 11, 2024, the Hon. Harold Hopp of the Riverside County Superior Court approved my \$1,500 hourly rate when he granted final approval of the class action settlement in *Gutierrez v. Next Level Door & Millwork, Inc.*, Case No. CVRI2105455.

3) On January 19, 2024, the Hon. Lauri A. Damrell of the Sacramento County Superior Court approved my \$1,500 hourly rate when she granted final approval of the class action settlement in *Sunshine Retirement Wage and Hour Cases*, Case No. JCCP 5247.

4) On January 26, 2024, the Hon. Loren G. Freestone of the San Diego Superior Court approved my \$1,500 hourly rate when he granted final approval of the class action settlement in *Lupercio v. Western CNC, Inc.*, Case No. 37-2021-00010314-CU-OE-CTL.

- 5) On February 1, 2024, the Hon. Joseph T. Ortiz of the San Bernardino Court approved by \$1,500 hourly rate when he granted final approval of the class action settlement in *Jackson, et al. v. Apple Valley Communications, Inc.*, et al., Case No. CIVSB2124721.
- 6) On February 2, 2024, the Hon. Harold Hopp of the Riverside County Superior Court approved by \$1,500 hourly rate when he granted final approval of the class action settlement in *Barrera v. Paradise Chevrolet Cadillac*, Case No. CVSW2107199.
- 7) On January 11, 2024, the Hon. Harold Hopp of the Riverside County Superior Court approved my \$1,500 hourly rate when he granted final approval of the class action settlement in *Gutierrez v. Next Level Door & Millwork, Inc.*, No. CVRI2105455.
- 8) On May 7, 2024, the Hon. Elaine Lu of the Los Angeles County Superior Court approved my \$1,500 hourly rate when she granted final approval of the class action settlement in *Meza v. Argus Management Company, LLC, et al.*, Case No. 21STCV31612.
- 9) On May 6, 2022, the Hon. Jay A. Garcia-Gregory of the United States District Court in Puerto Rico approved my \$850 hourly rate when he granted final approval of the class action settlement in *Serrano v. Inmediata Corp.*, No. 3:19-cv-01811-JAG, Dkt. 57 (U.S. Dist. Ct. P.R. May 6, 2022).
- d. On September 9, 2021, the Hon. Peter Wilson of the Orange County Superior Court approved my \$800 hourly rate when he granted final approval of the class action settlement in *Ricardo Campos Hernandez v. Adams Iron Co., Inc.*, No. 30-2019-01066522-CU-OE-CXC.
- e. On August 6, 2021, the Hon. Stanley Blumenfeld, Jr. of the United States District Court granted final approval of the \$1,600,000 class action settlement in *Carlos Moreno v. Pretium Packaging, Inc.* (C.D. Cal. Aug. 6, 2021) No. 8:19-

1 cv-02500-SB-DFM, 2021 WL 3673845 in which I served as lead counsel. In
2 doing so, the Court approved my then \$750 hourly rate after finding it was
3 “reasonable, given the qualifications of the attorneys who worked on this
4 matter.” (*Id.* at p. *3.)

5 37. The reasonableness of my firm’s hourly rates is also supported by several surveys
6 of legal rates, including the following:

7 a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the
8 real market rates of Los Angeles area attorneys who practice litigation. For that
9 category, the third quartile 2022 rate was \$1,045 per hour for partners and \$855 for
10 associates. Likewise, page 32 of the Report describes the rates charged by 183 Los
11 Angeles partners with “21 or more years of experience” and “Fewer than 21 years.”
12 For those categories, the third quartile Los Angeles partner rate in 2022 were \$1,133
13 per hour for 21 or more years and \$1,075 for attorneys with fewer than 21 years. A
14 true and correct copy of portions of the 2022 Real Rate Report is attached hereto as
15 **Exhibit 3.**

16 b. In an article entitled “Big Law Rates Topping \$2,000 Leave Value ‘In Eye of
17 Beholder,’” written by Roy Strom and published by Bloomberg Law on June 9,
18 2022, the author describes how Big Law firms have crossed the \$2,000-per hour
19 rate. The article also notes that law firm rates have been increasing by just under
20 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 4.**

21 38. Arsiné Grigoryan is an Associate Attorney at my office. She earned two Bachelor
22 of Arts degrees from the University of California, Berkeley in (1) Political Science with an
23 emphasis on international relations and (2) Media Studies. She obtained her Juris Doctor degree
24 from Southwestern Law School. She is presently admitted to practice in all state courts of
25 California (admitted in 2017) and before all federal district courts in California. The focus of her
26 practice at Wilshire Law Firm is currently on class action wage-and-hour law, including Private
27 Attorneys General Act of 2004 (“PAGA”) matters. Prior to joining Wilshire Law Firm, PLC, she
28 worked at a law firm specializing in wage-and-hour class action cases. She is also handling more

1 than a dozen active class action matters currently pending and prosecuting multiple PAGA
2 collective action matters in various courts throughout the State of California. Her current
3 contingency billing rate for this case is \$800.00 per hour which is commensurate with Ms.
4 Grigoryan's years of experience and work in this practice area.

5 39. Bradford Smith is a Law and Motion Attorney at Wilshire Law Firm. He graduated
6 from the University of California, Irvine with a Bachelor of Arts in History and received his Juris
7 Doctor from Loyola Law School, Los Angeles in 2022. He was admitted to practice law in the
8 State of California in 2022. Before joining Wilshire Law Firm, he worked at a law firm
9 specializing in insurance defense litigation. His focus now is on wage and hour class action
10 litigation. His current contingent billing rate for this case is \$450 per hour.

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

13 Executed on September 10, 2024, in Los Angeles, California.

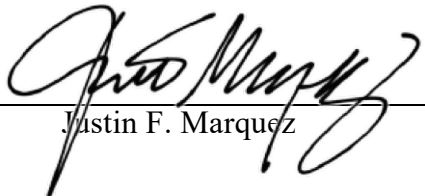
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Exhibit 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is entered into by and between Plaintiffs Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez (“Plaintiffs”) and Defendant Ruggable LLC (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means Plaintiffs’ class and PAGA action lawsuit alleging wage and hour violations against Defendant, captioned *Kania Paton, et al. v. Ruggable LLC*, initiated on or about December 6, 2021 and pending in Superior Court of the State of California, County of Los Angeles, Case No. 21STCV44381.

1.2 “Administrator” means Apex Class Action LLC, 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 Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means all hourly employees who worked in California for Defendant during the PAGA Period.

1.5 “Class” means all hourly employees who worked in California for Defendant during the Class Period.

1.6 “Class Counsel” means Justin Marquez, Christina Le, and Arsiné Grigoryan of Wilshire Law Firm, PLC, and Jose Garay of Garay Law, APLC.

1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, and Social Security number, as well as the number of paychecks received by the Class Member during the Class Period and PAGA Period.

1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12 “Class Period” means the period from June 8, 2018 and June 8, 2022.

1.13 “Class Representatives” means the named Plaintiffs in the operative Complaint in the Action seeking Court approval to serve as Class Representatives.

1.14 “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.

1.15 “Court” means the Superior Court of California, County of Los Angeles.

1.16 “Defendant” means Defendant Ruggable LLC.

1.17 “Defense Counsel” means Emma Luevano and Te’Aira Law of Mitchell Silberberg & Knupp LLP.

1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.22 “Gross Settlement Amount” means \$910,000 (and any additional amounts required under Paragraph 8), which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, Class Representative Service Payments, and the Administration Expenses Payment.

1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount based on the number of paychecks received during the Class Period.

1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties based on the number of paychecks received during the PAGA Period.

1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.

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

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

1.28 “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, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30 “PAGA Period” means the period from April 6, 2020 and June 8, 2022.

1.31 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).

1.32 “Plaintiffs’ PAGA Notices” means Kania Paton’s October 1, 2021 letter to the LWDA, the amended PAGA Notice adding Sim Astronomo on December 9, 2021, and Graciela Jimenez Gonzalez’s June 8, 2022 letter to the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.33 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,500) and 75% to LWDA (\$22,500) in settlement of PAGA claims.

1.34 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.35 “Plaintiffs” means Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez, the named plaintiffs in the Action.

1.36 “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

1.37 "Preliminary Approval Order" means the Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.38 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.39 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.40 "Released Parties" means Defendant and each and all of its present and former partners, parents, subsidiaries, affiliates, and related entities and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, payroll companies, staffing agencies, successors and assigns, and any other persons acting by, through, under, or in concert with any of them (including any alleged joint employers).

1.41 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Settlement signed by the Class Member.

1.42 "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

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

2. RECITALS.

2.1 On or about December 6, 2021, Plaintiff Kania Paton commenced this Action by filing a Complaint against Defendant for PAGA penalties due to the alleged failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, and failure to provide expense reimbursements (including claims derivative and/or related to these claims). On or about October 31, 2023, Plaintiff Kania Paton filed a First Amended Complaint asserting class claims based on the same underlying facts, and naming Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez as additional Plaintiffs. The Amended 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 the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.2 The Parties dispute whether Plaintiffs' PAGA Notices were timely, but stipulate to timeliness for purposes of settlement only.

2.3 On or about January 19, 2023, Parties participated in a mediation which led to this Agreement to settle the Action.

2.4 Prior to negotiating the Settlement, Plaintiffs obtained informal discovery which included, among other things, the total number of Class Members and Aggrieved Employees at issue and a sample of records for the Class Members and Aggrieved Employees (including their time records and paystubs). Plaintiffs' investigation was sufficient to satisfy the criteria for Court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5 The Court has not granted class certification. The Parties stipulate to class certification for purposes of settlement only. If the Court does not grant Preliminary and Final Approval of this Agreement despite the Parties' good faith efforts to address the Court's concerns without increasing the Gross Settlement Amount, the Parties shall return to status quo ante.

2.6 The Parties, Class 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. Defendant promises to pay \$910,000 (and any additional amounts owed under Paragraph 8) 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 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or 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 Final Approval:

3.2.1 To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$5,000 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members or Aggrieved Employees). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3% of the Gross Settlement Amount, which is currently estimated to be \$303,333.33 and a

Class Counsel Litigation Expenses Payment of not more than \$30,000. Defendant will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class 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 Class Counsel or any other Plaintiff's counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class 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 Administration Expenses Payment not to exceed \$15,000 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 \$15,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$30,000 to be paid from the Gross Settlement Amount, with 75% (\$22,500) allocated to the LWDA PAGA Payment and 25% (\$7,500) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment as a pro rata share of the Aggrieved Employees' 25% share of PAGA Penalties (\$7,500) based on the number of paychecks received during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

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.

3.2.4.3 If the Court requires a PAGA allocation higher than the foregoing, such determination shall not increase the amount of the Gross Settlement Amount, and the amounts that constitute the Gross Settlement Amount shall be reallocated as necessary.

3.3 Payments from the Net Settlement Amount. Payment will be made to Participating Class Members from the Net Settlement Amount as follows:

3.3.1 Individual Class Payment. All Participating Class Members will receive their pro rata share of the Net Settlement Amount based on the number of paychecks received during the Class Period.

3.3.2 Tax Allocation of Payments. 100% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties. The Individual Class Payments are not subject to wage withholdings and will be

reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.

3.3.3 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis based on the number of paychecks received during the Class Period.

3.3.4 If the Court disapproves of the payment structure in this Agreement, then the Parties will negotiate in good faith to adjust the structure, but in no event will Defendant be required to pay more than the Gross Settlement Amount on the basis of the payment structure.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Members. Based on a review of its records to date, Defendant estimates there are 605 Class Members.

4.2 Class Data. Not later than 20 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class 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 Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, by transmitting the funds to the Administrator no later than 30 days after the Effective Date. The time to make such payment may be extended by mutual consent of the Parties.

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

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members 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. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 10 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, if requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or 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 Class Member, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subd. (b).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members beyond those specified in this Agreement.

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

5.1 **Plaintiffs' Release.** Plaintiffs and each of their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action of whatever kind or nature, contingent or accrued, that occurred in connection with their employment with Defendant, including, but not limited to: (a) all claims that were or reasonably could have been alleged based on the facts contained in the Operative Complaint; and (b) all PAGA claims that were or reasonably could have been alleged based on facts contained in the Operative Complaint, Plaintiffs' PAGA Notices, or ascertained during the Action and released under Paragraph 5.3, below, including under any legal theory that was alleged or that could have been alleged for any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate

records of hours worked and meal periods, failure to furnish accurate wage statements, and failure to provide expense reimbursements (including claims derivative and/or related to these claims) (“Plaintiffs’ Release”). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, *et seq.*, and/or California Labor Code section 2698, *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the Action. Plaintiffs’ 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 of their employment with Defendant. Plaintiffs acknowledge that they may discover facts or law different from, or in addition to, the facts or law that they now know or believe to be true but agree, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs’ discovery of them.

5.1.1 Plaintiffs’ Waiver of Rights under California Civil Code Section 1542.

For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish 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 Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and ascertained in the course of the Action, including, *e.g.*, any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, *et seq.*, and/or California Labor Code section 2698, *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the Action. Except as set forth in Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Aggrieved Employees. All Aggrieved Employees (regardless of whether they are Participating Class Members) 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 facts stated in the Operative Complaint during the PAGA Period, Plaintiffs' PAGA Notices, and ascertained in the course of the Action, including, *e.g.*, any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims).

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) 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 Class 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 Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel, or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; 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)), and this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel 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 Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class 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 Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person, by video conference, or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person, by video conference, or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns; provided, however, that Defendant shall be under no obligation to proceed with the Settlement if the required material changes are unacceptable to Defendant or would require Defendant to pay more than the Gross Settlement Amount.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action LLC 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, if any, and providing reports to state and federal tax authorities.

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

7.4 Notice to Class Members.

7.4.1 Not later than 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members and Aggrieved Employees.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 20 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a

forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send the Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person, by video conference, or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out) of the Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Objections to Settlement.

7.6.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payments.

7.6.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.6.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.7 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.

7.7.1 Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing, and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, the Final Approval, the Judgment, and the Notice of Final Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

7.7.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing: (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.7.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.7.4 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections, and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

7.7.5 Final Report by Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only (or similar unique identification) of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE, WORK WEEK ESTIMATE, AND ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of June 8, 2022, there are approximately 605 Class Members and 31,011 paychecks received during the Class Period of June 8, 2018 and June 8, 2022. In the event that the number of paychecks received by the class members during the Class Period increases by more than 10% or 3,101, then the Gross Settlement Amount shall be increased proportionally by the paychecks received in excess of 3,101 (e.g., if the number of paychecks received from June 8, 2018 to June 8, 2022 increase by 12% (3,721), the GROSS SETTLEMENT AMOUNT will increase by \$17,980 (620 x \$29)).

9. **DEFENDANT’S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may elect, but is not obligated, to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order, and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than 14 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person, by video conference, or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval; provided, however, that Defendant shall be under no obligation to proceed with the Settlement if the required material changes are unacceptable to Defendant or would require Defendant to pay more than the Gross Settlement Amount. The Court’s decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

10.3 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.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, and 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 an objector 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.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall

nevertheless expeditiously work together in good faith to address, if possible, the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur; provided, however, that at no time will Defendant be required to pay more than the Gross Settlement Amount. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, as well as the representative treatment or manageability of any PAGA claim, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and 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).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to Plaintiffs' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) as for Defendant, as needed for legal, accounting, tax, or other business reasons; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. Plaintiffs and Class

Counsel shall not publicize the settlement on their websites, in advertising/marketing materials, or on social media, other than filing documents with the Court. This Paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit 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.

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

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, and submitting supplemental evidence or supplementing points and authorities as requested by the Court. Plaintiffs will not opt out of the Settlement. 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 the Court for resolution.

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

12.8 No Tax Advice. Neither Plaintiffs, Class 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.

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

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

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

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

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

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with settlement negotiations or in connection with the Settlement, may be used only with respect to this Settlement, and for 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 date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

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

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

To Plaintiffs:

Justin Marquez	Jose Garay
Christina Le	GARAY LAW, APLC
Arsiné Grigoryan	249 E Ocean Blvd #814
WILSHIRE LAW FIRM, PLC	Long Beach CA 90802
3055 Wilshire Blvd., 12th Floor	
Los Angeles, CA 90010	

To Defendant:

Emma Luevano
Te'Aira Law
MITCHELL SILBERBERG & KNUPP LLP
2049 Century Park East, 18th Floor
Los Angeles, CA 90067

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

12.19 Stay of Litigation. The Parties agree that, upon the execution of this Agreement, the Action shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree, upon the signing of this Agreement and pursuant to California Code of Civil Procedure section 583.330, to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

DocuSigned by:



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Kania Paton

Graciela Jimenez Gonzalez

DocuSigned by:



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Sim Astronomo

DocuSigned by:



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Gerardo Sandoval

DocuSigned by:



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Melissa Sandoval

DocuSigned by:



2B358DE6682844E...
Kevin Sandoval

Eulalia Carvente

Olegario Encarnacion

Silvia Hernandez



Justin Marquez, Esq.
Wylshire Law Firm, PLC
Counsel for Plaintiffs

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Kania Paton

DocuSigned by:



Graciela Jiménez Gonzalez

Sim Astronomo

Gerardo Sandoval

Melissa Sandoval

Kevin Sandoval

DocuSigned by:



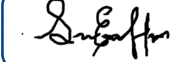
Eulalia Carvente

DocuSigned by:



Olegario Encarnacion

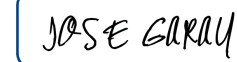
DocuSigned by:



Silvia Hernandez

Justin Marquez, Esq.
Wilshire Law Firm, PLC
Counsel for Plaintiffs

DocuSigned by:



Jose Garay, Esq.
Garay Law, APLC
Counsel for Plaintiffs

Jessica Schreiber

Emma Luevano 11/2/2023

For Defendant Ruggable LLC

By: Jessica Schreiber

Its: Acting General Counsel

Emma Luevano, Esq.

Mitchell Silberberg & Knupp LLP

Counsel for Defendant

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

[Kania Paton, et al. v. Ruggable LLC, Case No. 21STCV44381]

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendant Ruggable LLC (“Defendant”) for alleged wage and hour violations. The Action was filed by Plaintiffs Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez (“Plaintiffs”) and seeks payment of (1) alleged unpaid wages and other relief for a class of hourly, non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (June 8, 2018 and June 8, 2022); and (2) alleged penalties under the California Private Attorneys General Act (“PAGA”) for all hourly, non-exempt employees who worked for Defendant during the PAGA Period (April 6, 2020 and June 8, 2022) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and to pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholdings) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you received _____ paychecks** during the Class Period and **you received _____ paychecks** during the PAGA Period. If you believe that you received more paychecks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.
The Opt-out Deadline is [date]	You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or
Written Objections Must be Submitted by [date]	

You Can Participate in the [date] Final Approval Hearing	Plaintiffs if you think they are unreasonable. See Section 7 of this Notice. The Court’s Final Approval Hearing is scheduled to take place on [date]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Paychecks	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many paychecks you received during the Class Period and how many paychecks you received during the PAGA Period, respectively. The number of paychecks you received during the Class Period and the number of paychecks you received during the PAGA Period (if any) according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. See Section 4 of this Notice.
Written Challenges Must be Submitted by [date]	

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are current and former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay all wages due (including minimum wage, straight time, and overtime wages), failing to pay for all hours worked, failing to provide meal or rest periods, failing to timely pay wages and final wages, failing to maintain accurate records of hours worked and meal periods, failing to furnish accurate wage statements, and failure to provide expense reimbursements (including claims derivative and/or related to these claims). Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by attorneys in the Action: Justin Marquez, Christina Le, and Arsiné Grigoryan of Wilshire Law Firm, PLC, and Jose Garay of Garay Law, APLC (“Class Counsel”).

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an agreement to settle the case rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$910,000 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$303,333.33 (33 1/3% of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000 for each named Plaintiff for the Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. Class Representative Service Payments will be the only monies Plaintiffs will receive other than each Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$15,000 to the Administrator for services administering the Settlement.
 - D. Up to \$30,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on the number of paychecks received.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 100% of each Individual Class Payment to interest and penalties. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [date], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void:

Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, [name] (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over paychecks received, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that, unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and ascertained in the course of the Action, including, *e.g.*, any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, *et seq.*, and/or California Labor Code section 2698, *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the Action. Except as set forth in Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are

Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Aggrieved Employees (regardless of whether they are Participating Class Members) 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 facts stated in the Operative Complaint during the PAGA Period, Plaintiffs' PAGA Notices, and ascertained in the course of the Action, including, *e.g.*, any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. All Participating Class Members will receive their pro rata share of the Net Settlement Amount based on the number of paychecks received during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment as a pro rata share of the Aggrieved Employees' 25% share of PAGA Penalties (\$7,500) based on the number of paychecks received during the Class Period.
3. Paycheck Received Challenges. The number of paychecks received during the Class Period and the number of paychecks received during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [date] to challenge the number of paychecks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of paychecks received based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve paychecks received challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Kania Paton v. Ruggable LLC.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [date], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least 16 court days before the [date] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Awards stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [need details] or the Court's website [need details].

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Awards may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is [date].** Be sure to tell the Administrator what

you object to, why you object, and any facts that support your objection. Make sure you identify the Action [Kania Paton, et al. v. Ruggable LLC] and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department X of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [www.etc.] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the [specify whose] website at [URL of website]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 21STCV44381. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

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hg@garaylaw.com

Settlement Administrator:

[Name]
[Mailing Address]
[Telephone]
[Fax Number]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund [https://www.sco.ca.gov/search_upd.html] for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

Exhibit 2

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

9/10/2024
Accrual Basis

Type	Date	Num	Memo	Amount	Balance
COS					
Mediation Fees					
	3/14/2022	060822P	Mediation Fee	8,000.00	8,000.00
Total MEDIATION FEES				8,000.00	8,000.00
Expert Fees					
	6/23/2022	6264	Expert Fees	2,375.00	2,375.00
	1/27/2023	7987	Expert Fees	720.00	720.00
Total EXPERT FEES				3,095.00	3,095.00
Legal Expenses					
	10/2/2021		PAGA Fee	75.00	75.00
	1/13/2022	845647063	Legal Research	57.04	57.04
	5/23/2023		Court Motion Reservation	61.65	61.65
	8/4/2023	848737597	Legal Research	98.44	98.44
	9/13/2023	7072D9F3-0005-B	Legal Research	68.49	68.49
	9/13/2023	7072D9F3-0005-C	Legal Research	68.49	68.49
	9/13/2023	7072D9F3-0005-D	Legal Research	68.49	68.49
	11/15/2023	7072D9F3-0006-A	Legal Research	68.49	68.49
	11/15/2023	7072D9F3-0006-B	Legal Research	82.19	82.19
	11/15/2023	7072D9F3-0006-C	Legal Research	95.89	95.89
	11/15/2023	7072D9F3-0006-D	Legal Research	95.89	95.89
	12/4/2023	849369962	Legal Research	112.52	112.52
	12/11/2023		Document Retrieval	2.00	2.00
	1/4/2024	849525394	Legal Research	43.02	43.02
	1/23/2024	INV101826-01-01	Investigation Services	291.75	291.75
	2/6/2024	849678723	Legal Research	17.77	17.77
	3/8/2024	849827195	Legal Research	72.26	72.26
	3/29/2024		Document Retrieval	7.00	7.00
Total LEGAL EXPENSES				1,386.38	1,386.38
Process Service Fees					
	12/7/2021	42733	Attorney Services	563.50	563.50
	12/9/2021	42871	Attorney Services	131.00	131.00
	12/10/2021	42897	Attorney Services	45.00	45.00
	2/16/2022	44896	Attorney Services	85.00	85.00
	3/22/2022		Attorney Services	19.25	19.25
	3/22/2022		Attorney Services	14.93	14.93
	4/14/2022	46726	Attorney Services	85.00	85.00
	6/24/2022		Attorney Services	2.06	2.06
	6/24/2022		Attorney Services	18.22	18.22
	8/26/2022		Attorney Services	18.22	18.22
	5/16/2023		Attorney Services	18.69	18.69
	8/29/2023	21104463	Attorney Services	18.69	18.69
	9/8/2023	21177119	Attorney Services	18.69	18.69
	10/27/2023	21519882	Attorney Services	39.28	39.28
	11/1/2023	21538385	Attorney Services	18.69	18.69
	11/6/2023	21571079	Attorney Services	18.69	18.69
	11/8/2023	21597394	Attorney Services	17.66	17.66
	11/15/2023	21641093	Attorney Services	18.69	18.69
	11/17/2023	67812	Attorney Services	135.00	135.00
	12/2/2023	21726394	Attorney Services	39.28	39.28
	1/9/2024	21973311	Attorney Services	41.33	41.33
	2/28/2024	22333997	Attorney Services	19.71	19.71
	3/5/2024	22374910	Attorney Services	19.71	19.71
	4/5/2024	22610375	Attorney Services	19.71	19.71
	6/6/2024	22333997(2)	Attorney Services	1.00	1.00
	6/6/2024	22374910(2)	Attorney Services	1.00	1.00
	6/6/2024	22610375(2)	Attorney Services	1.00	1.00
	5/3/1923	79836	Attorney Services	135.00	135.00
	8/11/1923	23458265	Attorney Services	41.33	41.33
	3/15/2123	23534904	Attorney Services	20.74	20.74
Total PROCESS SERVICE FEES				1,626.07	1,626.07
Other Costs					

	7/29/2021		Case Administration Fee for In-House Services	500.00	500.00
	7/30/2021	E-528182	Postage Cost	5.86	5.86
	7/30/2021	E-528181	Postage Cost	5.86	5.86
	7/30/2021	E-528193	Postage Cost	5.86	5.86
	7/30/2021	E-528192	Postage Cost	5.86	5.86
	7/30/2021	E-528202	Postage Cost	5.86	5.86
	7/30/2021	E-528201	Postage Cost	5.86	5.86
	8/4/2021	E-529115	Postage Cost	5.86	5.86
	8/5/2021	E-529351	Postage Cost	5.86	5.86
	8/5/2021	E-529350	Postage Cost	5.86	5.86
	8/20/2021	E-610432	Printing Cost	3.50	3.50
	8/20/2021	E-543135	Printing Cost	2.00	2.00
	8/20/2021	E-543026	Postage Cost	5.86	5.86
	8/20/2021	E-543025	Postage Cost	5.86	5.86
	9/29/2021	E-726376	Printing Cost	2.00	2.00
	9/30/2021	E-599025	Postage Cost	6.13	6.13
	9/30/2021	E-599024	Postage Cost	6.13	6.13
	10/1/2021	E-611433	Printing Cost	4.00	4.00
	10/4/2021	E-604251	Postage Cost	6.13	6.13
	10/4/2021	E-604250	Postage Cost	6.13	6.13
	10/5/2021	E-606569	Postage Cost	4.33	4.33
	10/5/2021	E-606572	Postage Cost	4.33	4.33
	10/5/2021	E-609815	Printing Cost	6.50	6.50
	10/5/2021	E-609816	Printing Cost	6.50	6.50
	10/5/2021	E-606574	Postage Cost	4.33	4.33
	10/5/2021	E-606573	Postage Cost	4.33	4.33
	10/6/2021	E-606528	Postage Cost	6.13	6.13
	10/6/2021	E-606527	Postage Cost	6.13	6.13
	10/6/2021	E-609765	Printing Cost	7.25	7.25
	12/6/2021	E-721600	Postage Cost	14.30	14.30
	12/6/2021	E-721609	Postage Cost	6.13	6.13
	12/6/2021	E-721608	Postage Cost	6.13	6.13
	12/6/2021	E-721611	Postage Cost	6.13	6.13
	12/7/2021	E-723648	Postage Cost	6.13	6.13
	12/7/2021	E-723650	Postage Cost	6.13	6.13
	12/7/2021	E-723649	Postage Cost	6.13	6.13
	12/10/2021	E-726943	Printing Cost	6.50	6.50
	2/15/2022	E-825343	Printing Cost	6.25	6.25
	6/8/2022		Breakfast during Mediation	55.97	55.97
	6/8/2022		Lunch during Mediation	153.98	153.98
	6/24/2022	E-1229035	Printing Cost	0.25	0.25
	8/26/2022	E-2988009	Printing Cost	3.25	3.25
	10/31/2023	E-3157336	Printing Cost	1.89	1.89
	11/6/2023	E-3160063	Printing Cost	1.89	1.89
	11/8/2023	E-3160018	Printing Cost	1.89	1.89
	11/8/2023	E-3160194	Printing Cost	1.89	1.89
	11/8/2023	E-3160196	Printing Cost	1.89	1.89
	11/8/2023	E-3160193	Printing Cost	1.89	1.89
	11/8/2023	E-3160195	Printing Cost	1.89	1.89
	12/11/2023	8-341-54659	FedEx	78.11	78.11
	12/11/2023	8-341-54659	FedEx	99.11	99.11
	1/25/2024	E-3182794	Printing Cost	1.89	1.89
	5/14/2024	E-3211204	Printing Cost	1.89	1.89
Total OTHER COSTS				1,121.82	1,121.82
TOTAL				15,229.27	15,229.27

Exhibit 3



ELM Solutions

2022 Real Rate Report[®]

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

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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 factors¹ that drive rates²:

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

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

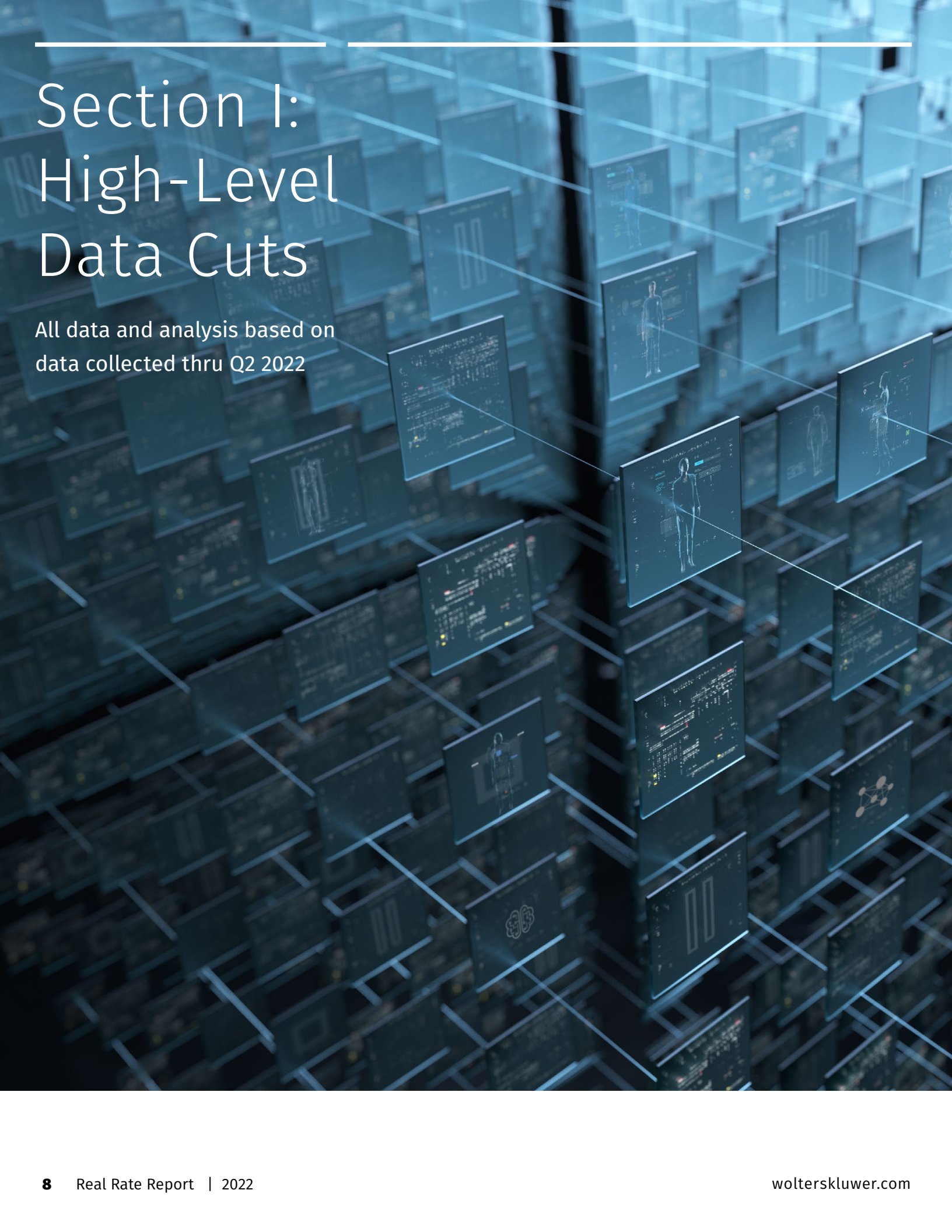
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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

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

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

¹ David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from: <https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html>

² Source: 2018 RRR. Factor order validated in multiple analyses since 2010



Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

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



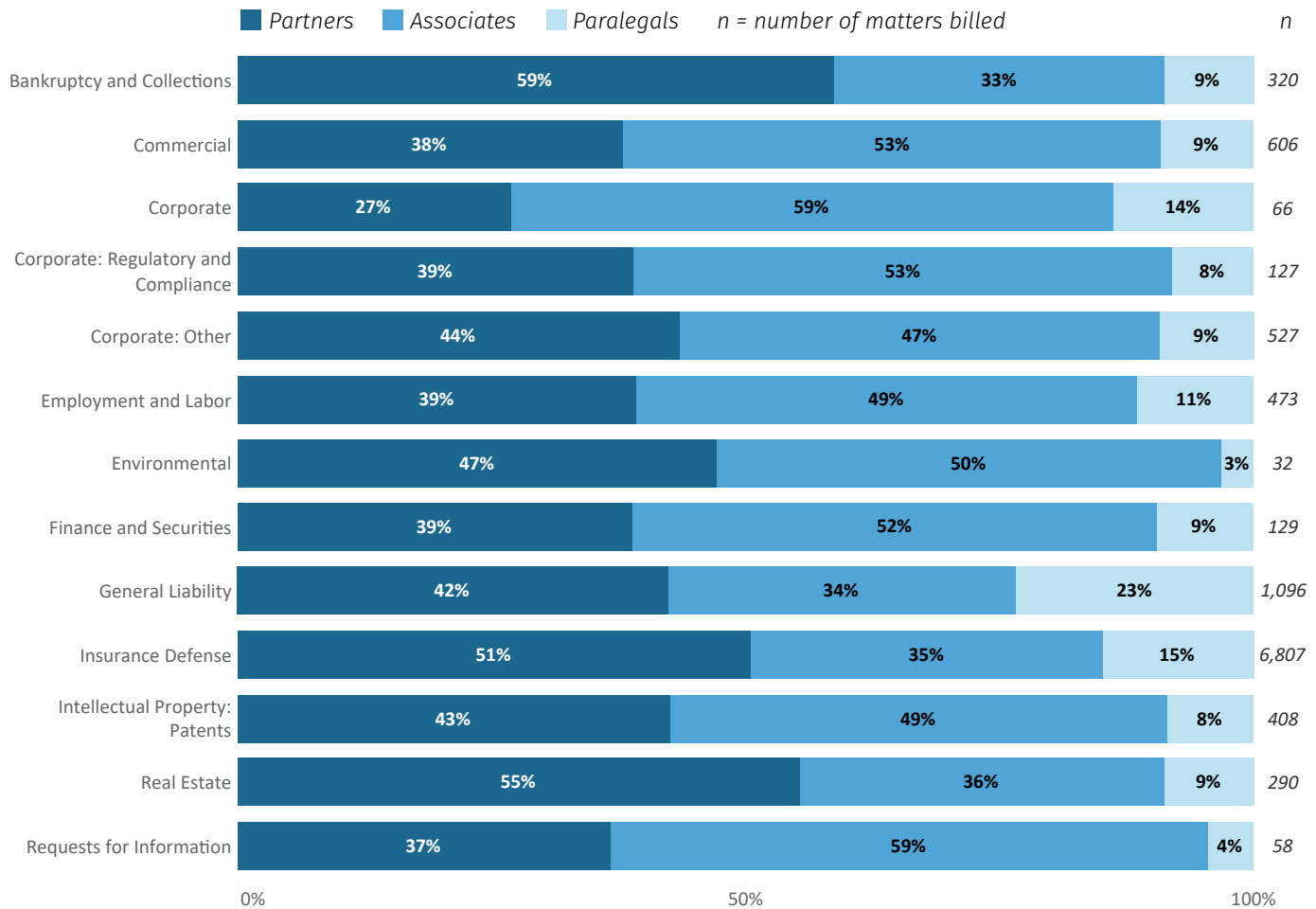
Section VI: Matter Staffing Analysis

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

Corporate¹

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 4

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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](#).



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@bloombergindustry.com

Documents

[Trustee's Objection](#)

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21STCV44381

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, Sandy Sespene, state that I am employed in the aforesaid County, State of California; I am over the age of eighteen years and not a party to the within action; my business address is 3055 Wilshire Blvd., 12th Floor, Los Angeles, California 90010. My electronic service address is sandy.sespene@wilshirelawfirm.com.

On **September 10, 2024**, I served the foregoing **DECLARATION OF JUSTIN F. MARQUEZ IN SUPPORT OF PLAINTIFFS' MOTION FINAL APPROVAL OF CLASS ACTION SETTLEMENT**, on the interested parties by placing a true copy thereof, enclosed in a sealed envelope by following one of the methods of service as follows:

Emma Luevano (SBN 198421)
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Jimenez Gonzalez, et al.*

(X) **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known email address or e-mail of record in this action.

(X) **BY UPLOAD:** I hereby certify that the documents were uploaded by my office to the State of California Labor and Workforce Development Agency Online Filing Site.

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

Executed on September 10, 2024, at Los Angeles, California.



Sandy Sespene