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Attorneys for Plaintiff and all aggrieved employees

**IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF SACRAMENTO**

ERIC HERRERA, an individual, on behalf  
of the State of California, as a private  
attorney general,

PLAINTIFF,

v.

RCI ELECTRIC, INC.; and DOES 1 thru 50,  
inclusive,

DEFENDANTS.

Case No. 34-2021-00311447-CU-OE-GDS

[Case Assigned for All Purposes to Hon. Jill H.  
Talley in Dept. 23]

**DECLARATION OF LIANE**  
**KATZENSTEIN LY IN SUPPORT OF**  
**MOTION FOR APPROVAL OF**  
**REPRESENTATIVE ACTION**  
**SETTLEMENT**

Date: September 20, 2024  
Time: 9:00 AM  
Dept.: 23

Complaint Filed: November 10, 2021  
Trial Date: None Set

**Reservation No. #A-311447-002**

1 **DECLARATION OF LIANE KATZENSTEIN LY**

2 I, Liane Katzenstein Ly, declare as follows:

3 1. I am an attorney licensed to practice before all of the courts of the State of California.  
4 I am the attorney of record for Plaintiff Eric Herrera in the above-entitled action. I have personal  
5 knowledge of the facts set forth herein, and if called upon as a witness, I could and would testify  
6 competently thereto.

7 2. I make this declaration in support of Plaintiff's Motion for Approval of  
8 Representative Action in the above-captioned case.

9 3. I graduated from Florida State University in 2005 with a degree in English. I  
10 graduated from University of California, Davis School of Law in 2008. I am admitted to practice  
11 before the following Courts: United States District Court, Northern, Southern, Eastern, and Central  
12 of California; all of California State Courts.

13 4. I have been involved in all of the settlement discussions leading to the present  
14 settlement as embodied in the PAGA Settlement Agreement ("Agreement"). A true and correct copy  
15 of the Settlement is attached hereto as Exhibit "1".

16 **LITIGATION OVERVIEW AND PROCEDURAL HISTORY**

17 5. On November 10, 2021, Plaintiff filed a Class Action Complaint seeking recovery  
18 for: (1) failure to provide rest breaks pursuant to Labor Code section 226.7; (2) violation of Labor  
19 Code section 2802; (3) violation of Labor Code section 226(a); (4) penalties under Labor Code  
20 section 203; and (5) violation of Business & Professions Code section 17200.

21 6. On November 10, 2021, Plaintiff sent a notice letter, pursuant to Labor Code section  
22 2699 ("PAGA"), to the Labor Workforce Development Agency ("LWDA") regarding his intent to  
23 seek civil penalties for the same Labor Code violations above.

24 7. After the matter was at hand, Plaintiff's Counsel learned that there is an existing  
25 arbitration agreement signed by Plaintiff that includes a class action waiver.

26 8. On January 18, 2022, Plaintiff filed a First Amended Representative Action  
27 Complaint, alleging a single cause of action for penalties pursuant to PAGA based upon the  
28 underlying Labor Code violations set forth in the original Complaint.

9. On July 28, 2022, Defendant filed a Petition to Compel Plaintiff's individual PAGA claim to arbitration and dismiss Plaintiff's representative PAGA claim. Plaintiff opposed, and instead sought a stay of Plaintiff's representative PAGA claim pending the California Supreme Court's review of *Adolph v. Uber*.

10. On October 11, 2022, the Court ordered Plaintiff's individual PAGA claim to arbitration but declined to dismiss Plaintiff's representative PAGA claim. Instead, the Court stayed the representative PAGA claim pending the outcome of arbitration and *Adolph*.

11. Plaintiff has settled his individual claims in arbitration, including his individual PAGA Claim.

12. After the California Supreme Court’s decision in *Adolph* was published, the Parties filed a joint stipulation to lift the stay of Plaintiff’s Representative PAGA Claim on September 12, 2023. The Court signed the order to lift the stay on September 26, 2023.

## DISCOVERY PROCESS AND MEDIATION

13. Prior to mediation, Plaintiff obtained, through formal discovery, Plaintiff's personnel records and extensive time and pay data, and rest period policies, relevant to both Plaintiff and the aggrieved employees.

14. On May 10, 2024, the Parties participated in an all-day mediation presided over by mediator Kendall J. Newman, Esq. which led to an Agreement to settle the action.

15. Thereafter, the Parties engaged in good faith, arms-length negotiations concerning possible resolution of the claims asserted in the Litigation. The Parties were able to reach a tentative settlement subject to finalization of a formal PAGA Settlement Agreement and the approval of the Court.

16. Although Defendant denies that it violated any pertinent law, it recognized the risks and attendant costs of litigation, and the Parties were able to reach a tentative settlement subject to finalization of a formal PAGA Settlement Agreement and the approval of the Court. The Parties negotiated the terms and conditions of the Agreement and now present the agreed-upon Settlement to the Court for Approval.

## THE SETTLEMENT

17. Defendant will pay the total sum of \$325,000.00 in full and final settlement of the  
PAGA claims alleged.

18. Per the Agreement, the amount is allocated as follows:

|                                           |                                                                                                              |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Gross Settlement Amount:                  | \$325,000.00                                                                                                 |
| PAGA Counsel Fees Payment:                | \$108,333.33                                                                                                 |
| PAGA Counsel Litigation Expenses Payment: | \$11,134.45                                                                                                  |
| Administrator Expenses Payment:           | \$6,500.00                                                                                                   |
| Named Plaintiff Enhancement:              | \$5,000.00                                                                                                   |
| <b>PAGA Penalties:</b>                    | <b>\$194,032.22</b><br><i>(\$145,524.16 to the LWDA; \$48,508.06 to remain in the Net Settlement Amount)</i> |

19. The Agreement provided for counsel to receive cost reimbursement up to \$13,000.00. However, counsel's final costs come to \$11,134.45. The extra \$1,865.55 will remain in the net settlement fund, causing the net amount for distribution to the LWDA and Aggrieved Employees to be slightly higher than the \$192,166.67 contemplated in the settlement agreement.

20. Each aggrieved employee shall receive a pro-rata portion of the remaining amount in PAGA penalties based by dividing the amount of the aggrieved employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all aggrieved employees during the PAGA Period, and then multiplying the result by each aggrieved employee's PAGA Pay Periods.

21. For settlement purposes, the Aggrieved Employees are defined as: "all non-exempt employees employed by Defendant at any time from November 9, 2020 to May 10, 2024" ("Aggrieved Employees").

22. The PAGA Period means the period from November 9, 2020 to May 10, 2024.

### **RISKS AND EVALUATION OF THE SETTLEMENT**

23. To help the Court evaluate the fairness of the Settlement, a discussion of the risk evaluation and discount taken follows.

24. Plaintiff believed that Defendant may persuasively argue that the Court should exercise its discretion under PAGA to significantly reduce or altogether waive any penalties under PAGA.

25. Pursuant to Labor Code §226.3, the Labor Commissioner has the discretion to "decide not to penalize an employer for a first violation when that violation was due to a clerical

1 error or inadvertent mistake.”

2           26.       And in accordance with PAGA, the court in a PAGA action has the same discretion  
3 “to assess a civil penalty” that the Labor Commissioner would have, as well as complete discretion  
4 to “award a lesser amount than the maximum civil penalty amount specified [by PAGA] if, based on  
5 the facts and circumstances of the particular case, to do otherwise would result in an award that is  
6 unjust, arbitrary and oppressive, or confiscatory.” (Labor Code § 2699(e)(1) and (e)(2)).

7           27.       PAGA Counsel anticipated that, at trial, Counsel for Defendant could make a  
8 potentially persuasive argument that Defendant: (1) the Aggrieved Employees were properly  
9 reimbursed in accordance with Defendant’s lawful policies and practices, and that any alleged failure  
10 to compensate the Aggrieved Employees was the result of inadvertence and clerical error; (2) the  
11 Aggrieved Employees were provided with the opportunity to take rest breaks in compliance with  
12 California law; (3) until this Action was filed, no employees had compliance about any alleged  
13 failure to provide rest breaks, reimburse expenses, issue accurate itemized wage statements; (4) none  
14 of Defendant’s employees suffered any harm from or actual damage as a result of the conduct that  
15 forms the basis for Plaintiff’s allegations. All of which, Counsel for Defendant would argue, should  
16 mitigate in factor of significantly reducing or waiving any PAGA penalties.

17           28.       While Plaintiff disagrees that this analysis is legal correct or persuasive, PAGA  
18 Counsel had to consider the foregoing facts and arguments and how they might impact any judgment  
19 ultimately awarded to Aggrieved Employees if the Court were persuaded by them.

20           29.       Plaintiffs and the aggrieved employees’ rest period claims arise from an alleged  
21 common course of conduct wherein Defendant did not provide employees with the opportunity to  
22 take a 10-minute rest break during their shifts in compliance with California law.

23           30.       Here, Defendant failed to apprise Plaintiff and the Aggrieved Employees of their  
24 rights associated with rest periods and failed to provide compliant rest periods.

25           31.       In fact, Defendant’s crew leaders would reprimand Plaintiff and other employees for  
26 taking even water breaks.

27           32.       Plaintiff was working on homes that were still in construction and therefore had no  
28 insulation or air conditioning. Plaintiff would try to take his 10-minute rest period to drink water and

1 cool off, but crew leaders would tell him and the other employees to get back to work and to stop  
2 taking breaks. Plaintiff complained about this issue numerous times but it was never resolved.

3 33. Defendant again raised the defense that employees received their rest breaks and  
4 presented evidence that employees would testify as such.

5 34. Given that the rest period policy was accurate, Plaintiff considered this a viable risk.

6 35. Plaintiff and the Aggrieved Employees were required to incur substantial expenses  
7 in direct consequent of the discharge of their duties for Defendant without reimbursement.

8 36. Specifically, Defendant has failed to reimburse Plaintiff and the Aggrieved  
9 Employees the cost of using their personal cell phones, purchasing tools, or use of their personal  
10 vehicles for business related purposes.

11 37. Defendant required that Plaintiff and the Aggrieved Employees purchase their own  
12 tools and be available by cell phone and answer/use their cell phones while working.

13 38. Each time Plaintiff was assigned to a new jobsite, which changed frequently, he was  
14 sent a text by management informing him of the assignment and location. Cell phones were also the  
15 primary method of communication between Plaintiff and crew leaders/supervisors.

16 39. Additionally, Plaintiff had to purchase tools necessary for electrician work.

17 40. Plaintiff did not use these tools after his employment with Defendant ended.

18 41. Moreover, Plaintiff used his own personal vehicles to travel between jobsites.  
19 Plaintiff was not reimbursed for this mileage. Plaintiff was assigned to jobsites in Sacramento,  
20 Manteca, Folsom, and Lathrop. If Plaintiff was assigned to more than one job site a day, he was not  
21 reimbursed for the mileage between job sites.

22 42. One risk that Plaintiff considered was the fact that not all Aggrieved Employees used  
23 their cell phones for every pay period.

24 43. This meant that the damages were relatively small.

25 44. Defendant has failed to comply with Industrial Welfare Commission ("IWC") Wage  
26 Order 16-2001 and Labor Code § 226(a) by failing to issue Plaintiff and the Aggrieved Employees  
27 accurate itemized wage statements that show all applicable hourly rates in effect during the pay  
28 period and the corresponding number of hours worked at each hourly rate by the employee.

45. Plaintiff and the Aggrieved Employees are issued wage statements that do not include rest premiums at the correct rate when rest premiums are provided as a result of the claims alleged above.

46. As this is a derivative claim, the same risks present for the above claims were present for this claim.

47. Plaintiff and numerous Aggrieved Employees are no longer employed by Defendant. Defendant failed to pay all wages owed and due upon their termination and/or resignation.

48. Plaintiff factored in the risk of establishing that any violation was “willful” and the fact that this claim is derivative.

49. In light of all these significant risks and given that PAGA gives the Court broad discretion to reduce any penalties ultimately awarded, PAGA Counsel determined that the Gross Settlement Amount of \$325,000.00 was fair and reasonable.

## ATTORNEY COMPETENCE

50. Kingsley Szamet & Ly is experienced in prosecuting employment litigation, and since 2000 we have focused our practice on wage, hour, and working condition violations. My firm is well versed in class action litigation and has diligently and aggressively pursued this action. Kingsley Szamet & Ly currently serves as PAGA Counsel for several dozens of pending class action lawsuits in Northern, Central, Eastern, and Southern California in both State and Federal Court. Below is a small, but representative sampling of wage and hour cases handled by my firm:

- a. *Goodman v. Crystal Ventures, Inc.* (No. BC245561, L.A. Super. Ct.) In January 2002, Hon. Anthony Mohr granted final approval of settlement in the gross amount of \$255,000 and the court approved the attorneys' fee request of 33 1/3%.
- b. *Johnston v. The Cheesecake Factory* (No. BC316180, L.A. Super. Ct.) In December 2005, Honorable Rita Miller granted final approval of Settlement in the gross amount of \$4,000,000 and the court granted attorneys' fees request of 30%.
- c. *Tumino v. HOB Entertainment* (No. BC327962, L.A. Super. Ct.) In May 2006, the Honorable Conrad R. Aragon granted final approval of Settlement in the gross amount of \$1,000,000 and the court granted attorneys' fees request of 30%.

- 1 d. *Ryan v. Hilton Hotels Corporation*, (No. BC364260, L.A. Super. Ct.) In March  
2 2008, the Honorable Mary Thornton House granted final approval of Settlement  
3 in the gross amount of \$1,675,000.00 and the court granted attorneys' fees request  
4 of 33 1/3%.
- 5 e. *Gerritson v. Styles For Less, Inc.*, (No. BC402921, L.A. Super. Ct.) In September  
6 2010, the Hon. Kenneth R. Freeman granted final approval of Settlement in the  
7 gross amount of \$2,000,000.00, and the court granted attorneys' fees request of  
8 33.3%.
- 9 f. *Lewis v. Collabrus, Inc., et al.*, (No. 109CV-142927, Santa Clara Super. Ct.) In  
10 March 2012, the Honorable James P. Kleinberg granted final approval of  
11 Settlement in the gross amount of \$2,000,000.00, and the court granted attorneys'  
12 fees request of 33.3%.
- 13 g. *Hirschinger v. Blue Cross of California*, Los Angeles Superior Court (No.  
14 BC402739, L.A. Super. Ct.) In June 2013, the Honorable Lee Smally Edmund  
15 granted final approval of Settlement in the gross amount of \$4,700,000.00, and the  
16 court granted attorneys' fees request of 38%.
- 17 h. *Anderson v. Total Renal Care, Inc.*, (No. BC388335, L.A. Super. Ct.) In January  
18 2014, the Honorable William F. Highberger granted final approval of Settlement  
19 in the gross amount of \$1,500,000.00 and the court granted attorneys' fees request  
20 of 33.33%.
- 21 i. *Rojas, et al. v. Sunview Vineyards of California, Inc.*, Eastern District (1:09-cv-  
22 00705 AWIJT). This certified class action was approved for final settlement by  
23 the Honorable Anthony W. Ishii in October 2015, in the gross amount of  
24 \$4,550,000.00, with attorneys' fees approved in the amount of \$1,137,500.00.
- 25 j. *Westbrook v. International Surfacing Systems*, (No. RG10510015, Alameda  
26 Super. Ct.) In August 2015, the Hon. Wynne Carvill granted final approval of  
27 Settlement in the gross amount of \$995,000.00, and the court granted attorney's  
28 fees request of 33.33%.

- 1 k. *Kane et al. v. Valley Shurry Seal*, (No. CV08-2483, Yolo Super. Ct.) In March  
2 2016 after a class trial with a verdict in the class's favor, the Honorable Daniel P.  
3 Maguire, awarded Kingsley Szamet & Ly and co-counsel \$996,232.72 in  
4 attorney's fees.
- 5 l. *Aparacio v. Abercrombie & Fitch Stores, Inc.*, (No. BC499281, L.A. Super. Ct.)  
6 In June 2016, the Hon. Kenneth Freeman granted final approval of Settlement in  
7 the gross amount of \$2,000,000.00, and the court granted attorney's fees request  
8 of 33.33%.
- 9 m. *Isaguirre v. Guess?, Inc., Los Angeles Superior Court (BC357631)*. The matter  
10 was proposed for final settlement by the Honorable Richard L. Fruin on February  
11 19, 2016, in the gross amount of \$5,250,000.
- 12 n. *Hirschinger v. Blue Cross of California*, Los Angeles Superior Court (BC402739).  
13 The matter was approved for final settlement by the Honorable Lee Smally  
14 Edmund in June 2013, in the gross amount of \$4,700,000.00, with attorney's fees  
15 request of 38%.
- 16 o. *Munoz, et al. v. Giumarra Vineyards Corporation*, United States District Court for  
17 the Eastern District of California (Case No.: 1:09-cv-00703 - AWI – JLT). The  
18 matter was approved for final settlement by the Honorable Anthony W. Ishii in  
19 November 2017, in the gross amount of \$6,100,000.00, plus interest, with  
20 attorney's fees benchmark award of \$1,525,000.
- 21 p. *Pineda, et al. v. Grimmway Enterprises, Inc.*, Kern County Superior Court (BCV-  
22 15-101333). The matter was approved for final settlement before the Hon. Stephen  
23 D. Schuett, Dept. 10, in January 2018, in the gross amount of \$9,000,000 with  
24 attorneys' fees request of 33.33%.

25 51. Kingsley Szamet & Ly filed its first class certification motion in the year 2000 and  
26 since that time has been appointed PAGA Counsel on dozens of wage and hour class actions that  
27 have been approved for class certification. Since 2012, Kingsley Szamet & Ly has moved for class  
28 certification in 15 matters and has successfully obtained class certification in 15 of those cases. A

brief sampling of which includes:

- a. *Lewis v. Collabrus, Inc., Santa Clara County Superior Court (109CV-142927)*, approved for Class Certification in 2011.
- b. *Melendrez v. JK Communications*, No. BC497692, (L.A. Super. Ct., filed December 19, 2012) (court granted contested class certification and appointed Kingsley Szamet & Ly as PAGA Counsel).
- c. *Amaro, et al v. Gerawan Farming, Inc.*, No. 1:14-cv-00147-DAD-SAB (E.D. Cal., filed February 3, 2014) (court granted contested class certification and appointed Kingsley Szamet & Ly as PAGA Counsel).
- d. *Suarez v. Mazatlan, Inc.*, No. 37-2015-00002978-CU-OE-CTL (S.D. Super. Ct., filed January 27, 2015) (court granted contested class certification and appointed Kingsley Szamet & Ly as PAGA Counsel).
- e. *Ruiz v. Daniel C. Salas Harvesting, Inc.*, Kings County Superior Court (16 C 0214). contested class certification granted in June 2020.
- f. *Weldon v. Geo Corrections & Detentions, LLC*, Kern County Superior Court (BCV-16-102833), contested class certification granted in 2018.
- g. *Patton v. Skyler Electric*, Nevada County Superior Court, (CU17-082544), contested class certification granted in June 2020.
- h. *Hameister v. Jaco Oil Company*, Kern County Superior Court (BCV-17-102876), contested class certification granted in August 2020.

52. PAGA Counsel is experienced in the handling of wage and hour class and representative actions and supports this Settlement. Based on its analysis, PAGA Counsel believes that this settlement is fair and reasonable and in the best interest of the aggrieved employees.

53. After factoring in the risks explained above, I believe that the proposed settlement is fair and reasonable. I am not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by this Settlement.

#### **REQUESTS FOR ATTORNEYS' FEES AND COSTS**

54. As detailed fully in the Settlement, the settlement provides for Defendant to create a

1 Gross Settlement Amount of \$325,000.00. From that fund, Plaintiff requests an award of attorneys'  
2 fees for PAGA Counsel in the amount of \$108,333.33, or 33.33% of the Gross Settlement Amount,  
3 and \$11,134.45 in reimbursement for litigation costs.

4 55. In addition to the complexity of this case, PAGA Counsel has borne the entire risk  
5 and costs of this litigation during the entire time that it has been pending, all on a pure contingency  
6 basis. Through the investment of substantial effort and resources, PAGA Counsel has secured an  
7 outstanding Settlement of behalf of the Aggrieved Employees. Defendant vigorously contested  
8 liability, the amount of claimed damages, and the propriety of class certification. It is this kind of  
9 situation, involving complex issues, that has been recognized as justifying a substantial attorney fee  
10 award.

11 56. I am very familiar with the contingent fee market throughout California and in the  
12 Orange County area, particularly as it pertains to complex employment, wage and hour, and class  
13 action litigation. On behalf of my firm, I have negotiated numerous contingency fee agreements  
14 with plaintiffs, both as individuals and as representatives in class action suits. Many of those  
15 agreements provided that counsel will receive a fee that is between 33% and 40% of any recovery  
16 that is obtained, and, in addition, that counsel be reimbursed for the costs they incurred out of the  
17 recovery amount. The named Plaintiff in this action signed a contingency fee agreement that  
18 stated that counsel would be able to make a fee of up to 40% of any recovery if the case settles.  
19 These are typical and standard percentages in employment-related contingency agreements  
20 throughout California. Indeed, in my opinion, the aggrieved employees in this wage and hour  
21 case could not have retained competent counsel in California, particularly with the considerable  
22 skill and expertise of my firm, for any amount significantly less than the contingency fee  
23 percentage provided in this retainer agreement. PAGA Counsel has never been paid any money  
24 for attorneys' fees in this case and has advanced all costs.

25 57. There are always risks attendant to billing cases on a contingency basis. Those  
26 risks are even higher in the current economic climate. Kingsley Szamet & Ly bills the vast  
27 majority of its cases on contingency, and has been affected by recent bankruptcy filings. In three  
28 separate cases, *Lozoya v. Shore House Café, Inc.*, No. 30-2008-00082103-CU-OE-CJC (Orange

1 Super. Ct. filed Mar. 7, 2008) and *Davis v. Crossfire Marketing Group, LLC*, No. CIVRS1207797  
2 (San Bernardino Super. Ct. filed October 5, 2012), the defendants both filed for bankruptcy  
3 protection in June 2011 and January 2015 after years of litigation. My firm advanced costs and  
4 incurred thousands of dollars in fees that will never be recovered.

5 58. Additionally, there are cases where PAGA Counsel takes on the extreme risk of  
6 attempting to certify a class case, often times turning down class or individual settlement offers  
7 that PAGA Counsel feels are not in the best interest of the settled class, only to lose class  
8 certification and the costs and fees associated with the litigation. *See e.g., Prosad v. Del Taco*  
9 *Restaurant Services, Inc.*, No. BC426538 (L.A. Super. Ct. filed Nov. 2009); *Perez v. Safelite*  
10 *Group, Inc.*, CV-10-8653-RGK(FFMx) (C.D. Cal. filed October 5, 2010).

11 59. When PAGA Counsel's motions for class certification are denied, PAGA Counsel  
12 often appeals the orders. Sometimes, these denials are overturned (*Perez v. Safelite Group, Inc.*,  
13 553 Fed.Appx. 667 (9th Cir. 2015); *Anderson v. Total Renal Care, Inc.*, No. B236207 (Cal. Ct.  
14 App. 2012)) and other times PAGA Counsel is unsuccessful (*Prosad v. Del Taco Restaurant*  
15 *Services, Inc.*, No. B238605 (CA. Ct. App. 2012)).

16 60. In addition to appealing class certification denials, Kingsley Szamet & Ly has been  
17 involved in numerous lengthy and protracted appeals process before the California Court of  
18 Appeal, the Ninth Circuit, the Seventh Circuit, and the United States Supreme Court. Our firm  
19 specifically has taken and lost some issues on appeal that required the write-off of significant  
20 legal fees. Also, our firm has been successful on appeal and overturned unfavorable lower court  
21 rulings or successfully fought to have successful rulings affirmed. Below is just a sample of some  
22 of these appeals:

- 23 a. *D'Este v. Bayer Corp.*, 565 F.3d 1119 (9th Cir. 2009) (lower court ruling that  
24 pharmaceutical sales representatives are exempt employees affirmed);
- 25 b. *Budrow v. Dave & Buster's of California, Inc.*, 171 Cal. App. 4th 875 (2009)  
26 (lower court ruling in employer's favor that certain employees can share in  
27 mandatory tip pool affirmed);
- 28 c. *Etheridge v. Reins Int'l California, Inc.*, 172 Cal. App. 4th 908 (2009) (lower court

- 1 ruling in employer's favor that certain employees can share in mandatory tip pool  
2 affirmed);
- 3 d. *Areso v. CarMax, Inc.*, 195 Cal. App. 4th 996 (2011) (lower court ruling in  
4 employer's favor approving employer's commission pay plan affirmed) ;
- 5 e. *Christopher v. SmithKline Beecham Corp.*, 132 S. Ct. 2156, 183 L. Ed. 2d 153  
6 (2012) (lower court ruling that pharmaceutical sales representatives are exempt  
7 employees affirmed);
- 8 f. *Schaefer-LaRose v. Eli Lilly & Co.*, 679 F.3d 560 (7th Cir. 2012) (lower court  
9 ruling that pharmaceutical sales representatives are exempt employees affirmed);
- 10 g. *Fowler v. Carmax, Inc.*, No. B238426, 2013 WL 1208111 (Cal. Ct. App. Mar. 26,  
11 2013), cert. granted, judgment vacated sub nom. *CarMax Auto Superstores  
12 California, LLC v. Fowler*, 134 S. Ct. 1277, 188 L. Ed. 2d 290 (2014) (lower court  
13 granted employer's motion to compel arbitration, Court of Appeal reversed, U.S.  
14 Supreme Court affirmed lower court);
- 15 h. *Salazar v. Apple Am. Grp., LLC*, No. E059562, 2015 WL 314703 (Cal. Ct. App.  
16 Jan. 26, 2015), review denied (Apr. 22, 2015), cert. denied, 136 S. Ct. 688, 193 L.  
17 Ed. 2d 519 (2015) (lower court ruling in employee's favor on motion to compel  
18 arbitration affirmed);
- 19 i. *Anaya v. J's Maint. Serv., Inc.*, No. B261662, 2016 WL 519867 (Cal. Ct. App. Feb.  
20 9, 2016) (lower court ruling in employee's favor on motion to compel arbitration  
21 affirmed);
- 22 j. *Cortez v. Doty Bros. Equipment Company, Inc.* (2017) 15 Cal.App.5th 1 (reversing  
23 in part and affirming in part trial courts order compelling arbitration);
- 24 k. *Lopez v. Friant & Associates, L.L.C.* (2017) 15 Cal.App.5th 773 (reversing  
25 summary judgement in favor of employer on wage statement claim);
- 26 l. *Kane v. Valley Slurry Seal Company*, Case No. C079558, Cal. Ct. App. May 8,  
27 2018) (affirming judgement for employees after bench trial);
- 28 m. *Kim v. Reins International California*, Case No. S246911. Oral argument was held

1 before the California Supreme Court on January 6, 2020 and a decision was  
2 published in March 2020.

3 61. Unlike plaintiffs' firms, which bear the risk of loss on contingency cases, defense  
4 firms are able to bill their clients for time spent on a case. As verified by a survey conducted by  
5 the National Law Journal nearly a decade ago, six California firms provided their hourly billing  
6 rates and of the six firms, five regularly charged in excess of \$500 for their partners. In fact, four  
7 of these firms charged as high as \$600, \$620, \$650 and up to \$850 per hour. These firms are  
8 located in Orange County, Los Angeles County, San Francisco County, and San Diego County.  
9 This survey is attached hereto as Exhibit "2".

10 62. While plaintiffs' firms strive to take on cases that are meritorious (for ethical as well as  
11 monetary reasons), as this Court knows, many of these cases hinge on the decision of class  
12 certification. Recently, there has been a renewed effort by defense counsel and/or their clients to  
13 challenge these cases and to push back, especially on certification motions. In addition, many novel  
14 legal issues have gone up on appeal, which has complicated the landscape for settlement.

15 **PAGA COUNSEL'S HOURS AND HOURLY RATES ARE REASONABLE**

16 63. Here, a lodestar cross-check confirms that the percentage requested is reasonable.  
17 PAGA Counsel have an aggregate lodestar in the amount of \$65,770.00 which represents 75.9  
18 hours of attorney work on this litigation from its inception through the date of this filing of  
19 Plaintiff's instant Motion, and 10 future hours.

20 64. As such, PAGA Counsel is asking for a lodestar multiplier of 1.65.

21 65. This case dealt with difficult legal and factual questions. Significantly, the risk  
22 attendant to the underlying claims in this matter was great considering Defendant's defenses as  
23 discussed in detail above. Were this case to proceed, Defendant would have a strong incentive to  
24 litigate tenaciously. There are genuine issues in dispute.

25 66. Furthermore, PAGA Counsel was able to obtain close to the full value for this  
26 case.

27 67. As discussed above, PAGA Counsel are skilled wage and hour practitioners with  
28 decades of experience who diligently prepared and litigated this matter.

1           68. To achieve the ultimate result in this case, my firm had to incur substantial risk  
2 and expense, and were precluded from taking other fee generating employment for 75.9 hours of  
3 attorney time.

4           69. This matter had been handled purely on a contingency fee basis and my firm has  
5 advanced many thousands of dollars in costs while deferring all payment of fees, with no  
6 guarantee that any of the fees incurred or costs advanced would ever be recovered, and diverting  
7 significant firm resources to prosecution of this matter.

8           70. PAGA Counsel believe this is an exceptional result that has been well received by  
9 the Aggrieved Employees.

10          71. The requested hourly rates in this case range from \$450.00 per hour to \$1,100.00.

11          72. PAGA Counsel's hourly rates are fully supported by their experience and  
12 reputation in handling complex employment litigation, including wage and hour class actions.

13          73. Mr. Kingsley is a 28-year attorney with expertise in wage and hour class action  
14 lawsuits.

15          74. He has litigated several hundred such cases, including at the appellate level at the  
16 U.S. Supreme Court, California Supreme Court, the Ninth Circuit, and the California Court of  
17 Appeal.

18          75. He is also a prolific speaker at various seminars on employment law and has  
19 contributed to legal publications on employment topics.

20          76. In light of the impending increase of experienced lawyers in specialized practice,  
21 I believe that the hourly rates charged by my firm are fair and reasonable and are comparable to  
22 or less than those charged by my colleagues in California and the national market for prosecuting  
23 or defending class actions.

24          77. My office billed for the following six attorneys for work performed on this case: Eric  
25 Kingsley, Kelsey M. Szamet, Ari J. Stiller, Jessica Adlouni, Jessica Bulaon, and me.

26          78. Kelsey M. Szamet is a partner at Kingsley Szamet & Ly. She received her  
27 Bachelor of Arts degree, *cum laude*, from the University of California San Diego and received  
28 her law degree from UCLA School of Law in 2008, where she was active in the Women's Law

1 Journal and community-based legal clinics. Ms. Szamet has been practicing since 2008 and is  
2 billed at \$800 per hour.

3 79. I am a partner at Kingsley Szamet & Ly, has a billing rate of \$800 per hour. I am  
4 an honors graduate of Florida State University, and received my JD from University of California  
5 Davis School of Law in 2008, where I was an editor of the Environmental Law Journal and a  
6 board member of the King Hall Negotiations Team.

7 80. Ari J. Stiller, a senior associate at Kingsley Szamet & Ly, has a billing rate of \$725  
8 per hour. Mr. Stiller is a 7-year attorney whose practice focuses on employment litigation,  
9 including wage and hour class actions, discrimination, harassment, and wrongful termination  
10 claims. Mr. Stiller graduated Phi Beta Kappa with a B.A. from Colorado College in 2006 and  
11 received his J.D. from University of Colorado School of Law in 2013, where he was an associate  
12 editor of the law review and president of his class. Mr. Stiller formerly practiced on the motions  
13 and appeals team at a prominent Los Angeles law firm and served as a judicial fellow to Judge  
14 Paul Watford in the U.S. Court of Appeals for the Ninth Circuit.

15 81. Jessica Adlouni is an Associate Attorney at Kingsley Szamet & Ly. She is billed  
16 at \$500 per hour. Ms. Adlouni obtained her Bachelor of Arts from UCLA and her juris doctor  
17 from UCLA School of Law in May 2019.

18 82. Jessi Bulaon is an Associate Attorney at Kingsley Szamet & Ly. Ms. Bulaon is a  
19 graduate of UCLA where she obtained her Bachelor of Arts in Sociology. In 2021, she earned her  
20 J.D. from Southwestern Law School, where she was a member on the Law Review and the Dean's  
21 List. While at Southwestern, she was awarded the Exceptional Achievement Award in Employment  
22 Law Survey course and Witkin Award in her Labor Law course. Ms. Bulaon also clerked at a  
23 plaintiff-side employment law firm for 1.5 years until she was admitted to practice in December of  
24 2021. She is billed at \$450 per hour.

25 83. An article in the Wall Street Journal on February 9, 2016 titled *Legal Hours Cross*  
26 *New Mark: \$1,500 an Hour* states that "a review of filings over the past three months in about two  
27 dozen bankruptcy cases shows that senior partners routinely charge between \$1,200 and \$1,300 an  
28 hour, with top rates at several large law firms exceeding \$1,400." The article also explains that

“despite low inflation and weak demand for legal services, rates at large corporate law firms have risen by 3% to 4% a year since the economic downturn.” Finally, the article notes that “the average highest rate paid for law-firm partners was \$875 an hour in 2015.” This article is attached hereto as Exhibit “3”.

84. PAGA Counsel’s charged rate are commensurate with the prevailing market rates in Sacramento County for attorneys of comparable experience and skill handling complex litigation.

85. PAGA Counsel’s rates in calculating the lodestar are the same rates charged to non-contingent hourly clients and thus necessarily reflect the current market value of counsel’s legal services.

86. PAGA Counsel made all reasonable attempts to avoid duplication of assignments and to assign tasks to timekeepers at the appropriate billing rates.

87. Finally, PAGA Counsel’s rates are in line with the adjusted Laffey Matrix, which is a fee scale that courts often consult in determining the reasonableness of hourly rates. Under the adjusted Laffey Matrix, a reasonable rate for an attorney with 20+ years of experience, such as Mr. Kingsley, is \$1,057, a reasonable rate for an attorney with 16 years of experience, such as Ms. Szamet and Ms. Ly, is \$878, a reasonable rate for an attorney with 11 years of experience, such as Mr. Stiller, is \$878, a reasonable rate for an attorney with 4-7 years of experience, such as Ms. Adlouni, is \$538, and a reasonable rate for an attorney with 3 years or less of experience, such as Ms. Bulaon is \$437. A true and correct copy of the 2023-2024 Adjusted Laffey Matrix is attached hereto as Exhibit “4”.

88. Kingsley Szamet & Ly’s attorneys’ fees in the present case are broken down as follows:

| <u>ATTORNEY</u>      | <u>HOURS</u> | <u>HOURLY RATE</u> | <u>TOTALS</u> |
|----------------------|--------------|--------------------|---------------|
| Eric B. Kingsley     | 13.3         | \$1,100.00         | \$14,630.00   |
| Kelsey M. Szamet     | 4.5          | \$800.00           | \$3,600.00    |
| Liane Katzenstein Ly | 46.5         | \$800.00           | \$37,200.00   |
| Ari J. Stiller       | 0.2          | \$725.00           | \$145.00      |
| Jessica Adlouni      | 11.3         | \$500.00           | \$5,650.00    |

|                                       |             |          |                                |
|---------------------------------------|-------------|----------|--------------------------------|
| Jessica Bulaon                        | 10.1        | \$450.00 | \$4,545.00                     |
| <b>KINGSLEY TOTAL ATTORNEYS' FEES</b> | <b>85.9</b> |          | <b>\$65,770.00<sup>1</sup></b> |

89. Kingsley Szamet & Ly has spent significant time extensively investigating, researching, and litigating this matter, including but not limited to the following:

- a. intake and interviewing Plaintiff and witnesses and flushing out facts and issues;
- b. researching employer and related causes of action;
- c. researching other pending and former matters against Defendant;
- d. fact development and investigating Defendant's ownership structure
- e. researching and analyzing relevant claims under B&P 17200;
- f. investigation and discussion regarding job functions, duties, compensation, policies, and procedures, etc.;
- g. regular meetings and or communicating with Plaintiff;
- h. regular meetings and or communicating with Co-Counsel;
- i. drafting pleadings (Complaints, Motion for Representative Action Approval, various documents related to Representative Approval, , etc.);
- j. researching private right of action and various impact on class actions;
- k. interviewing and obtaining declarations from Aggrieved Employees;
- l. preparing for and attending mediation;
- m. discussing issues related to damage model calculations;
- n. preparing and analyzing damage models;
- o. negotiating the terms of the settlement;
- p. reviewing and making changes to the Agreement;
- q. drafting and editing all documents for Representative Action Approval;
- r. monitoring Notice and settlement administration procedures;
- s. coordinating and overseeing all aspects of the administration of the Settlement

<sup>1</sup> The Total Attorneys' Fees does include PAGA Counsel anticipated 10 hours of future time to handle the final approval hearing and to oversee the administration process.

(review documentation, approve form and content, etc.); and multiple communications with defense counsel.

90. Based on the aggregate lodestar, PAGA Counsel is requesting a multiplier of 1.65.

91. I believe the request for attorneys' fees in the amount of \$108,333.33 is fair and reasonable given the complexity and novelty of the issues involved, the vigorous defense, and the exceptional results obtained. As explained above, PAGA Counsel's diligent litigation efforts and experience led to an outstanding settlement.

#### **FACTORS THAT SUPPORT THE APPROVAL OF A MULTIPLIER**

92. This case dealt with difficult legal and factual questions. Significantly, the risk attendant to the underlying claims in this matter was great considering Defendant's defenses as discussed in detail above. Were this case to proceed, Defendant would have a strong incentive to litigate tenaciously. There are genuine issues in dispute.

93. This matter had been handled purely on a contingency fee basis and my firm has advanced many thousands of dollars in costs while deferring all payment of fees, with no guarantee that any of the fees incurred or costs advanced would ever be recovered, and diverting significant firm resources to prosecution of this matter.

#### **THE COURT SHOULD APPROVE THE REQUEST FOR REIMBURSEMENT OF COSTS**

94. In addition to their request for fees, PAGA Counsel further request reimbursement of the reasonable out-of-pocket expenses advanced and/or incurred by them in connection with this litigation, in the amount of \$13,000.00.

95. To date, PAGA Counsel has incurred \$10,534.45 in costs.

96. PAGA Counsel anticipates incurring an additional \$600.00 in costs to file and serve this motion, but the Settlement provides for a reimbursement of litigation costs of up to \$13,000.00.

97. As such, counsel is requesting a cost reimbursement of \$11,134.45.

98. All of the requested costs are reasonable in amount and were necessarily incurred by PAGA Counsel in prosecuting this litigation.

99. All of these costs have been incurred in the course of this litigation, and all costs

1 advanced have already been paid by PAGA Counsel, with the exception of the anticipated cost of  
2 filing the present motion.

3 100. Accordingly, the requested reimbursement of the reasonable out-of-pocket expenses  
4 advanced and/or incurred is appropriate and justified as part of the overall settlement and the Court  
5 should approve the request for reimbursement in the amount of \$11,134.45.

6 **THE NAMED PLAINTIFFS' ENHANCEMENT SHOULD BE APPROVED**

7 101. The Settlement calls for an enhancement payment of \$5,000.00 to the named  
8 Plaintiff, to be paid from the Gross Settlement Amount.

9 102. The time spent by Eric Herrera includes identifying competent counsel, providing  
10 information to PAGA Counsel regarding Plaintiff's relevant employment experiences, compiling  
11 documents, meeting with PAGA Counsel frequently to discuss the status of the case and the theories  
12 of liability, reviewing settlement documents, and making himself available for a full day of  
13 mediation.

14 103. PAGA Counsel considers this to be a fair and reasonable enhancement.

15 104. The enhancement takes into consideration the time, effort, risks, and expense  
16 incurred by Plaintiff in coming forward to litigate this matter on behalf of the Aggrieved Employees.

17 **PROOF OF SUBMISSION TO THE LABOR AND WORKFORCE DEVELOPMENT**

18 **AGENCY**

19 105. As indicated on the Proof of Service, Plaintiff's accompanying Motion for Approval  
20 of Representative Action Settlement ("Motion") was uploaded to the Labor and Workforce  
21 Development Agency's ("LWDA") website on the date this Motion was filed. Proof of submission  
22 of Plaintiff's Motion, all related documents, and copy of the email from the LWDA confirming  
23 receipt is attached hereto as Exhibit "6".

24 **EXHIBITS**

25 106. Attached hereto as Exhibit "1" is a true and correct copy of the fully-executed PAGA  
26 Settlement Agreement.

27 107. Attached hereto as Exhibit "2" is a true and correct copy of the ALM Research 2007  
28 NLJ Billing Survey.

108. Attached hereto as Exhibit “3” is a true and correct copy of Wall Street Journal on February 9, 2016 titled *Legal Hours Cross New Mark: \$1,500 an Hour*.

109. Attached hereto as Exhibit “4” is a true and correct copy of the 2023-2024 Adjusted Laffey Matrix.

110. Attached hereto as Exhibit "5" is a true and correct copy of the KINGSLEY SZAMET & LY costs ledger reflecting costs incurred in this matter.

111. Attached hereto as Exhibit “6” is a true and correct copy of the proof of submission to the LWDA as referenced in paragraph 105 above.

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

This declaration was executed this 8th day of July, 2024, in Encino, California.

Liane Katzenstein Ly

# **EXHIBIT "1"**

## **PAGA SETTLEMENT AGREEMENT**

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Eric Herrera (“Plaintiff”) and Defendant RCI Electric, Inc. (“Defendant” or “RCI”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

### **1. DEFINITIONS.**

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant captioned ERIC HERRERA, an individual, on behalf of the State of California, as a private attorney general, PLAINTIFF v. RCI ELECTRIC, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS, initiated on November 10, 2021 and pending in Superior Court of the State of California, County of Sacramento.
- 1.2. “Administrator” means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means all non-exempt employees employed by Defendant at any time from November 9, 2020 to May 10, 2024.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Court” means the Superior Court of California, County of Sacramento.
- 1.8. “Defense Counsel” means Palmer Kazanjian.
- 1.9. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment.

- 1.10. “Gross Settlement Amount” means \$325,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.11. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16. “PAGA Counsel” means Kingsley Szamet & Ly, formerly known as Kingsley & Kingsley, APC, the attorneys representing the Plaintiff in the Action.
- 1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19. “PAGA Period” means the period from November 9, 2020 to May 10, 2024.
- 1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.21. “PAGA Notice” means Plaintiff’s November 10, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$48,041.67) and the 75% to LWDA (\$144,125.00) in settlement of PAGA claims.

- 1.23. "Plaintiff" means Eric Herrera, the named plaintiff in the Action.
- 1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.26. "Released Parties" means: Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates.
- 1.27. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28. "Defendant" means named Defendant RCI ELECTRIC, INC..

## **2. RECITALS.**

- 2.1. On November 10, 2021, Plaintiff commenced this Action by filing a Class Action Complaint alleging causes of action against Defendant for (1) failure to provide rest breaks pursuant to Labor Code section 226.7; (2) violation of Labor Code section 2802; (3) violation of Labor Code section 226(a); (4) penalties under Labor Code section 203; (5) violation of Business & Professions Code section 17200. On November 10, 2021, Plaintiff sent a notice letter, pursuant to Labor Code section 2699 ("PAGA"), to the Labor Workforce Development Agency ("LWDA") regarding his intent to seek civil penalties for the same Labor Code violations above. After the matter was at hand, Plaintiff's Counsel learned that there was an existing arbitration agreement signed by Plaintiff that includes a class action waiver. On January 18, 2022, Plaintiff filed a First Amended Representative Action Complaint, alleging a single cause of action for penalties pursuant to PAGA based upon the underlying Labor Code violations set forth in the original Complaint. The First Amended Representative Action 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. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On May 10, 2024, the Parties participated in an all-day mediation presided over by Kendall J. Newman, Esq. which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through formal discovery, time and pay data, the meal and rest period policy, and Plaintiff's personnel file.

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

### **3. MONETARY TERMS.**

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$325,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1. To Plaintiff: PAGA Representative Service Payment to the PAGA Representative of not more than \$5,000.00 (in addition to any Individual PAGA Payment and any Individual PAGA Payment Plaintiff is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a PAGA Representative Service Payment that does not exceed this amount. As part of the motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment, Plaintiff will seek Court approval for any PAGA Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a PAGA Representative Service Payment less than the amount requested, the Administrator will allocate the remainder in the Net Settlement Amount. The Administrator will pay the PAGA Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the PAGA Representative Service Payment.
- 3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.33% which is currently estimated to be \$108,333.33 and PAGA Counsel Litigation Expenses Payment of not more than \$13,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA

Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$6,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$6,500.00, 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 \$192,166.67 to be paid from the Gross Settlement Amount, with 75% (\$144,125.00) allocated to the LWDA PAGA Payment and 25% (\$48,041.67) allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$48,041.67) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 401 Aggrieved Employees who worked a total of 19,000 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 15 days, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in

good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

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

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

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

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

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the State of California Department of Industrial Relations Unclaimed Wages Fund in the name of the Aggrieved Employee.

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

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

5.1 Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences [that occurred during the PAGA Period], including, but not limited to: all claims pursuant to PAGA for a violation, as alleged in Plaintiff's Notice Letter to the LWDA, of Labor Code sections 201, 202, 203, 226(a), 226.7, and 2802. ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims pursuant to PAGA for a violation, as alleged in Plaintiff's Notice Letter to the LWDA, of Labor Code sections 201, 202, 203, 226(a), 226.7, and 2802.

5.3 Release by PAGA Counsel:

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

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

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code

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

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

## **7. SETTLEMENT ADMINISTRATION.**

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

- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

**8. AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 401 Aggrieved Employees who worked 19,000 Pay Periods during the PAGA Period.

- 8.1 To the extent the number of allegedly aggrieved employees or the number of allegedly deficient itemized wage statements increases by more than 10% from the numbers Defendant represented existed on May 10, 2024, Defendant will have the option to increase the Gross Settlement amount proportionately over 10%. For example, should the number of pay periods be 11% higher than represented in mediation, Defendant will have the option of paying an addition 11% of the Gross Settlement Amount. If Defendant declines to do so, Plaintiff will have the option to terminate the settlement in its entirety and the Parties will be returned to their respective positions as if no settlement had been contemplated.

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

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

**10. ADDITIONAL PROVISIONS.**

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Kingsley Szamet & Ly  
Eric B. Kingsley  
Liane Katzenstein Ly  
16133 Ventura Blvd., Suite 1200  
Encino, CA 91436

To Defendant:

Palmer Kazanjian Wohl Hodson LLP  
Larry M. Kazanjian  
2277 Fair Oaks Boulevard, Suite 455  
Sacramento, CA 95825

- 10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

DATED: June 13, 2024

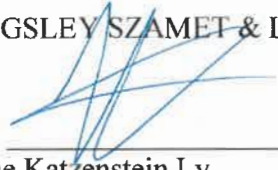
DocuSigned by:  
By:   
PLAINTIFF Eric Herrera

DATED: 6.17.24

By:   
DEFENDANT RCI Electric, Inc.

DATED: June 13, 2024

KINGSLEY SZAMET & LY

By:   
Liane Katzenstein Ly  
Attorneys for Plaintiff and the aggrieved employees

DATED: June 17, 2024

PALMER KAZANJIAN WOHL HODSON LLP

By:   
Larry M. Kazanjian  
Attorneys for Defendants

# **EXHIBIT "2"**

|    | A                                                                                 | C                         | D                        | E                           | F                          | G                              | H                            | I                             | J                          | K                        | L                         |
|----|-----------------------------------------------------------------------------------|---------------------------|--------------------------|-----------------------------|----------------------------|--------------------------------|------------------------------|-------------------------------|----------------------------|--------------------------|---------------------------|
| 1  |  |                           |                          |                             |                            |                                |                              |                               |                            |                          |                           |
| 2  |                                                                                   |                           |                          |                             |                            |                                |                              |                               |                            |                          |                           |
| 3  |                                                                                   |                           |                          |                             |                            |                                |                              |                               |                            |                          |                           |
| 4  |                                                                                   |                           |                          |                             |                            |                                |                              |                               |                            |                          |                           |
| 5  |                                                                                   |                           |                          |                             |                            |                                |                              |                               |                            |                          |                           |
| 6  | Firm Name                                                                         | Partner Billing Rate High | Partner Billing Rate Low | Associate Billing Rate High | Associate Billing Rate Low | Associate Billing Rate Average | Partner Billing Rate Average | Firmwide Billing Rate Average | Associate Billing Rate Med | Partner Billing Rate Med | Firmwide Billing Rate Med |
| 7  | Adams and Reese                                                                   | \$500                     | \$225                    | \$255                       | \$165                      | \$198                          | \$305                        | \$278                         | \$197                      | \$300                    | \$275                     |
| 8  | Andrews Kurth                                                                     | \$795                     | \$400                    | \$460                       | \$210                      |                                |                              |                               |                            |                          |                           |
| 9  | Arent Fox                                                                         | \$675                     | \$395                    | \$440                       | \$240                      |                                |                              |                               |                            |                          |                           |
| 10 | Armstrong Teasdale                                                                | \$450                     | \$295                    | \$295                       | \$165                      |                                |                              |                               |                            |                          |                           |
| 11 | Baker, Donelson, Bearman, Caldwell & Berkowitz                                    | \$525                     | \$230                    | \$315                       | \$160                      | \$205                          | \$325                        | \$280                         | \$200                      | \$320                    | \$270                     |
| 12 | Barnes & Thornburg                                                                | \$485                     | \$265                    | \$295                       | \$180                      | \$225                          | \$350                        | \$302                         | \$220                      | \$355                    | \$310                     |
| 13 | Bass, Berry & Sims PLC                                                            | \$575                     | \$300                    | \$285                       | \$180                      |                                |                              |                               |                            |                          |                           |
| 14 | Best Best & Krieger                                                               | \$495                     | \$290                    | \$350                       | \$160                      | \$203                          | \$275                        | \$212                         | \$235                      | \$390                    | \$265                     |
| 15 | Bond, Schoeneck & King                                                            | \$435                     | \$200                    | \$250                       | \$140                      | \$179                          | \$294                        | \$253                         | \$175                      | \$295                    | \$300                     |
| 16 | Bradley Arant Rose & White                                                        | \$520                     | \$240                    | \$280                       | \$180                      | \$211                          | \$335                        | \$258                         | \$205                      | \$330                    | \$260                     |
| 17 | Briggs and Morgan                                                                 | \$500                     | \$250                    | \$325                       | \$195                      | \$233                          | \$391                        | \$344                         | \$230                      | \$395                    | \$350                     |
| 18 | Brinks Hofer Gilson & Lione                                                       | \$650                     | \$300                    | \$410                       | \$180                      | \$273                          | \$479                        | \$365                         | \$250                      | \$485                    | \$350                     |
| 19 | Broad and Cassel                                                                  | \$450                     | \$250                    | \$310                       | \$165                      | \$232                          | \$361                        | \$294                         | \$225                      | \$360                    | \$275                     |
| 20 | Brownstein Hyatt Farber Schreck                                                   | \$675                     | \$260                    | \$270                       | \$170                      | \$219                          | \$373                        | \$308                         | \$218                      | \$390                    | \$325                     |
| 21 | Bryan Cave                                                                        | \$695                     | \$320                    | \$495                       | \$165                      | \$295                          | \$493                        | \$394                         | \$295                      | \$490                    | \$375                     |
| 22 | Buchanan Ingersoll & Rooney                                                       | \$750                     | \$320                    | \$460                       | \$150                      |                                |                              |                               |                            |                          |                           |
| 23 | Bullivant Houser Bailey                                                           | \$500                     | \$225                    | \$350                       | \$150                      | \$240                          | \$285                        | \$260                         | \$220                      | \$275                    | \$250                     |
| 24 | Burr & Forman                                                                     | \$470                     | \$250                    | \$305                       | \$175                      | \$235                          | \$340                        |                               |                            |                          |                           |
| 25 | Butzel Long                                                                       | \$575                     | \$210                    | \$350                       | \$155                      |                                |                              |                               |                            |                          |                           |
| 26 | Carlton Fields                                                                    | \$600                     | \$280                    | \$375                       | \$190                      | \$243                          | \$406                        | \$312                         | \$245                      | \$405                    | \$300                     |
| 27 | Cooley Godward Kronish                                                            | \$875                     | \$470                    | \$555                       | \$250                      |                                |                              |                               |                            |                          |                           |
| 28 | Covington & Burling                                                               | \$800                     | \$510                    | \$525                       | \$240                      |                                |                              |                               |                            |                          |                           |
| 29 | Cozen O'Connor                                                                    | \$750                     | \$230                    | \$530                       | \$155                      | \$283                          | \$420                        | \$350                         | \$280                      | \$425                    | \$340                     |
| 30 | Curtis, Mallet-Prevost, Colt & Mosle                                              | \$735                     | \$635                    | \$560                       | \$280                      | \$361                          | \$666                        | \$396                         | \$360                      | \$685                    | \$480                     |
| 31 | Davis Wright Tremaine                                                             | \$695                     | \$300                    | \$390                       | \$170                      | \$257                          | \$430                        | \$375                         | \$250                      | \$423                    | \$375                     |
| 32 | Day Pitney                                                                        | \$650                     | \$350                    | \$525                       | \$210                      | \$306                          | \$472                        | \$374                         | \$310                      | \$465                    | \$375                     |
| 33 | Dickinson Wright                                                                  | \$530                     | \$260                    | \$275                       | \$170                      |                                |                              |                               |                            |                          |                           |
| 34 | Dickstein Shapiro Morin & Oshinsky                                                | \$825                     | \$425                    | \$440                       | \$225                      | \$336                          | \$552                        | \$438                         | \$360                      | \$550                    | \$425                     |
| 35 | Dinsmore & Shohl                                                                  | \$475                     | \$235                    | \$285                       | \$155                      | \$199                          | \$342                        | \$275                         | \$190                      | \$340                    | \$250                     |
| 36 | Dorsey & Whitney                                                                  | \$750                     | \$220                    | \$470                       | \$145                      | \$274                          | \$463                        | \$375                         | \$260                      | \$463                    | \$365                     |
| 37 | Duane Morris                                                                      | \$705                     | \$315                    | \$465                       | \$150                      | \$310                          | \$475                        | \$416                         | \$305                      | \$470                    | \$415                     |
| 38 | Dykema Gossett                                                                    | \$625                     | \$245                    | \$390                       | \$185                      | \$272                          | \$403                        |                               |                            |                          |                           |
| 39 | Edwards Angell Palmer & Dodge                                                     | \$700                     | \$350                    | \$450                       | \$170                      | \$293                          | \$515                        | \$407                         | \$280                      | \$513                    | \$400                     |
| 40 | Epstein Becker & Green                                                            | \$675                     | \$280                    | \$440                       | \$155                      | \$290                          | \$471                        | \$380                         | \$280                      | \$475                    | \$395                     |
| 41 | Fenwick & West                                                                    | \$775                     | \$500                    | \$500                       | \$245                      | \$360                          | \$590                        | \$395                         | \$370                      | \$600                    | \$410                     |
| 42 | Foley & Lardner                                                                   | \$855                     |                          |                             | \$185                      | \$387                          | \$550                        | \$476                         | \$375                      | \$550                    | \$475                     |
| 43 | Ford & Harrison                                                                   | \$560                     | \$325                    | \$395                       | \$210                      |                                |                              |                               |                            |                          |                           |
| 44 | Fowler White Boggs Banker                                                         | \$500                     | \$230                    | \$325                       | \$150                      | \$217                          | \$345                        | \$303                         | \$210                      | \$340                    | \$300                     |
| 45 | Fox Rothschild                                                                    | \$595                     | \$240                    | \$440                       | \$190                      |                                |                              |                               |                            |                          |                           |

|    | A                                                     | C                         | D                        | E                           | F                          | G                              | H                            | I                             | J                          | K                        | L                         |
|----|-------------------------------------------------------|---------------------------|--------------------------|-----------------------------|----------------------------|--------------------------------|------------------------------|-------------------------------|----------------------------|--------------------------|---------------------------|
|    | Firm Name                                             | Partner Billing Rate High | Partner Billing Rate Low | Associate Billing Rate High | Associate Billing Rate Low | Associate Billing Rate Average | Partner Billing Rate Average | Firmwide Billing Rate Average | Associate Billing Rate Med | Partner Billing Rate Med | Firmwide Billing Rate Med |
| 46 |                                                       |                           |                          |                             |                            |                                |                              |                               |                            |                          |                           |
| 47 | Frost Brown Todd                                      | \$455                     | \$225                    | \$255                       | \$145                      | \$180                          | \$303                        | \$256                         | \$170                      | \$295                    | \$255                     |
| 48 | Gardere Wynne Sewell                                  | \$715                     | \$350                    | \$425                       | \$220                      | \$292                          | \$472                        | \$405                         | \$265                      | \$475                    | \$405                     |
| 49 | GrayRobinson, PA                                      | \$500                     | \$175                    | \$250                       | \$250                      | \$198                          | \$319                        | \$224                         |                            |                          |                           |
| 50 | Greenberg Traurig, PA                                 | \$850                     | \$300                    | \$505                       | \$175                      | \$311                          | \$490                        | \$407                         | \$310                      | \$500                    | \$415                     |
| 51 | Harris Beach                                          | \$475                     | \$250                    | \$275                       | \$140                      |                                |                              |                               |                            |                          |                           |
| 52 | Hiscock & Barclay LLP                                 | \$375                     | \$220                    | \$250                       | \$160                      | \$185                          | \$278                        | \$245                         | \$180                      | \$280                    | \$250                     |
| 53 | Hodgson Russ                                          | \$645                     | \$215                    | \$395                       | \$155                      | \$219                          | \$337                        | \$254                         | \$205                      | \$350                    | \$250                     |
| 54 | Hogan & Hartson                                       | \$850                     | \$300                    | \$525                       | \$150                      | \$385                          | \$600                        | \$490                         | \$370                      | \$590                    |                           |
| 55 | Holland & Hart                                        | \$585                     | \$275                    | \$345                       | \$165                      | \$269                          | \$388                        | \$335                         | \$275                      | \$385                    | \$335                     |
| 56 | Holme Roberts & Owen                                  | \$635                     | \$285                    | \$420                       | \$195                      | \$284                          | \$412                        | \$353                         | \$265                      | \$410                    | \$345                     |
| 57 | Howard, Rice, Nemerovski, Canady, Falk & Rabkin       | \$775                     | \$495                    | \$485                       | \$275                      |                                |                              |                               |                            |                          |                           |
| 58 | Hughes Hubbard & Reed                                 | \$825                     | \$595                    | \$560                       | \$240                      |                                |                              |                               |                            |                          |                           |
| 59 | Husch & Eppenberger                                   | \$425                     | \$190                    | \$260                       | \$130                      | \$179                          | \$297                        | \$248                         | \$175                      | \$295                    | \$245                     |
| 60 | Jackson Lewis                                         | \$575                     | \$235                    | \$450                       | \$210                      |                                |                              |                               |                            |                          |                           |
| 61 | Jenner & Block LLP                                    | \$900                     | \$450                    | \$425                       | \$275                      | \$327                          | \$562                        |                               | \$325                      | \$525                    |                           |
| 62 | Jones, Walker, Waechter, Poitevent, Carrere & Denegre | \$600                     | \$210                    | \$225                       | \$150                      |                                |                              |                               |                            |                          |                           |
| 63 | Kelley Drye & Warren                                  | \$800                     | \$400                    | \$500                       | \$255                      |                                |                              |                               |                            |                          |                           |
| 64 | Knobbe, Martens, Olson & Bear                         | \$645                     | \$340                    | \$420                       | \$215                      |                                |                              |                               |                            |                          |                           |
| 65 | Lane Powell Moss & Miller                             | \$515                     | \$300                    | \$300                       | \$205                      | \$255                          | \$370                        | \$345                         | \$255                      | \$370                    | \$345                     |
| 66 | Lathrop & Gage                                        | \$450                     | \$225                    | \$300                       | \$140                      | \$185                          | \$300                        | \$215                         | \$185                      | \$300                    | \$260                     |
| 67 | Leonard, Street and Deinard                           | \$500                     | \$300                    | \$300                       | \$185                      |                                |                              |                               |                            |                          |                           |
| 68 | Lewis, Rice & Fingersh                                | \$425                     | \$240                    | \$295                       | \$130                      |                                |                              |                               |                            |                          |                           |
| 69 | Lindquist & Vennum                                    | \$500                     | \$260                    | \$260                       | \$165                      |                                |                              |                               |                            |                          |                           |
| 70 | Locke, Lord, Bissell & Liddell                        | \$900                     | \$375                    | \$390                       | \$190                      | \$281                          | \$488                        | \$399                         | \$280                      | \$490                    | \$425                     |
| 71 | Loeb & Loeb                                           | \$875                     | \$425                    | \$500                       | \$240                      | \$384                          | \$606                        | \$505                         | \$400                      | \$600                    | \$500                     |
| 72 | Lord, Bissell & Brook                                 | \$690                     | \$335                    | \$410                       | \$200                      | \$299                          | \$473                        | \$410                         | \$300                      | \$475                    | \$415                     |
| 73 | Lowenstein Sandler                                    | \$725                     | \$380                    | \$395                       | \$205                      |                                |                              |                               |                            |                          |                           |
| 74 | Luce, Forward, Hamilton & Scripps                     | \$725                     | \$325                    | \$450                       | \$220                      | \$281                          | \$465                        | \$381                         | \$280                      | \$475                    | \$395                     |
| 75 | Manatt, Phelps & Phillips                             | \$785                     | \$520                    | \$480                       | \$265                      | \$395                          | \$600                        | \$518                         | \$415                      | \$590                    | \$550                     |
| 76 | Marshall, Dennehey, Warner, Coleman & Goggin          | \$400                     | \$135                    | \$300                       | \$120                      |                                |                              |                               |                            |                          |                           |
| 77 | McCarter & English LLP                                | \$650                     | \$325                    | \$395                       | \$205                      |                                |                              |                               |                            |                          |                           |
| 78 | McElroy Deutsch, Mulvaney & Carpenter                 | \$450                     | \$295                    | \$225                       | \$135                      | \$180                          | \$250                        | \$195                         | \$165                      | \$235                    | \$215                     |
| 79 | McKee Nelson                                          | \$920                     | \$635                    | \$595                       | \$375                      | \$446                          | \$760                        | \$489                         | \$455                      | \$755                    | \$475                     |
| 80 | Michael Best & Friedrich                              | \$550                     | \$225                    | \$300                       | \$185                      | \$234                          | \$363                        | \$321                         | \$235                      | \$350                    | \$325                     |
| 81 | Miles & Stockbridge                                   | \$535                     | \$315                    | \$405                       | \$205                      | \$260                          | \$397                        |                               |                            |                          |                           |
| 82 | Miller & Martin                                       | \$580                     | \$230                    | \$295                       | \$160                      | \$201                          | \$338                        | \$306                         | \$195                      | \$340                    | \$320                     |
| 83 | Miller, Canfield, Paddock and Stone, PLC              | \$595                     | \$265                    | \$340                       | \$160                      | \$225                          | \$400                        | \$285                         | \$220                      | \$400                    | \$335                     |
| 84 | Montgomery, McCracken, Walker & Rhoads                | \$575                     | \$320                    | \$320                       | \$195                      | \$260                          | \$419                        | \$360                         |                            |                          |                           |
| 85 | Moore & Van Allen                                     | \$765                     | \$265                    | \$330                       | \$175                      |                                |                              |                               |                            |                          |                           |
| 86 | Morgan, Lewis & Bockius                               | \$850                     | \$375                    | \$575                       | \$200                      |                                |                              |                               |                            |                          |                           |
| 87 | Morris, Manning & Martin                              | \$625                     | \$350                    | \$400                       | \$180                      | \$285                          | \$436                        | \$380                         | \$310                      | \$395                    | \$440                     |
| 88 | Nexsen Pruet Jacobs & Pollard                         | \$420                     | \$220                    | \$250                       | \$150                      |                                |                              |                               |                            |                          |                           |
| 89 | Ogletree, Deakins, Nash, Smoak & Stewart              | \$575                     | \$270                    | \$360                       | \$200                      | \$256                          | \$348                        | \$312                         |                            |                          |                           |
| 90 | Patton Boggs                                          | \$920                     | \$320                    | \$520                       | \$205                      | \$375                          | \$536                        | \$456                         | \$385                      | \$525                    | \$455                     |
| 91 | Pepper Hamilton                                       | \$750                     | \$335                    | \$425                       | \$200                      |                                |                              |                               |                            |                          |                           |
| 92 | Perkins Coie                                          | \$805                     | \$205                    | \$500                       | \$145                      |                                |                              |                               |                            |                          |                           |

|     | A                                     | C                         | D                        | E                           | F                          | G                              | H                            | I                             | J                          | K                        | L                         |
|-----|---------------------------------------|---------------------------|--------------------------|-----------------------------|----------------------------|--------------------------------|------------------------------|-------------------------------|----------------------------|--------------------------|---------------------------|
|     | Firm Name                             | Partner Billing Rate High | Partner Billing Rate Low | Associate Billing Rate High | Associate Billing Rate Low | Associate Billing Rate Average | Partner Billing Rate Average | Firmwide Billing Rate Average | Associate Billing Rate Med | Partner Billing Rate Med | Firmwide Billing Rate Med |
| 93  |                                       |                           |                          |                             |                            |                                |                              |                               |                            |                          |                           |
| 94  | Phelps Dunbar                         | \$450                     | \$170                    | \$205                       | \$130                      | \$174                          | \$243                        | \$184                         | \$175                      |                          |                           |
| 95  | Phillips Lytle                        | \$435                     | \$245                    | \$300                       | \$140                      | \$205                          | \$309                        | \$223                         | \$205                      | \$300                    | \$215                     |
| 96  | Polisinelli Shalton Welte Suelthaus   | \$600                     | \$250                    | \$250                       | \$175                      |                                |                              |                               |                            |                          |                           |
| 97  | Quarles & Brady                       | \$575                     | \$260                    | \$335                       | \$185                      | \$233                          | \$377                        | \$319                         | \$235                      | \$375                    | \$325                     |
| 98  | Reed Smith                            | \$825                     | \$350                    | \$510                       | \$200                      | \$374                          | \$558                        | \$395                         | \$350                      | \$525                    | \$385                     |
| 99  | Robinson & Cole                       | \$575                     | \$340                    | \$325                       | \$200                      | \$295                          | \$424                        | \$328                         | \$280                      | \$420                    | \$330                     |
| 100 | Roetzel & Andress                     | \$460                     | \$210                    | \$275                       | \$110                      | \$198                          | \$302                        | \$264                         | \$200                      | \$300                    | \$260                     |
| 101 | Rutan & Tucker                        | \$600                     | \$335                    | \$350                       | \$210                      |                                |                              |                               |                            |                          |                           |
| 102 | Saul Ewing                            | \$750                     | \$315                    | \$485                       | \$180                      | \$273                          | \$426                        | \$357                         | \$255                      | \$415                    | \$365                     |
| 103 | Schnader Harrison Segal & Lewis       | \$750                     | \$240                    | \$385                       | \$175                      |                                |                              |                               |                            |                          |                           |
| 104 | Schulte Roth & Zabel                  | \$850                     | \$650                    | \$585                       | \$235                      | \$435                          | \$724                        |                               | \$440                      | \$745                    |                           |
| 105 | Sheppard, Mullin, Richter & Hampton   | \$795                     | \$425                    | \$550                       | \$260                      |                                |                              |                               |                            |                          |                           |
| 106 | Shughart Thomson & Kilroy             | \$475                     | \$235                    | \$225                       | \$160                      |                                |                              |                               |                            |                          |                           |
| 107 | Shumaker, Loop & Kendrick             | \$465                     | \$200                    | \$360                       | \$180                      | \$221                          | \$311                        | \$289                         | \$220                      | \$305                    | \$300                     |
| 108 | Sills Cummis Epstein & Gross          | \$650                     | \$350                    | \$375                       | \$195                      |                                |                              |                               |                            |                          |                           |
| 109 | Smith, Gambrell & Russell             | \$575                     | \$250                    | \$345                       | \$175                      |                                |                              |                               |                            |                          |                           |
| 110 | Snell & Wilmer                        | \$675                     | \$275                    | \$390                       | \$170                      | \$248                          | \$390                        |                               |                            |                          |                           |
| 111 | Steptoe & Johnson PLLC                | \$325                     | \$200                    | \$250                       | \$170                      |                                |                              |                               |                            |                          |                           |
| 112 | Stinson Morrison Hecker               | \$600                     | \$230                    | \$250                       | \$175                      | \$207                          | \$333                        | \$295                         | \$225                      | \$365                    | \$285                     |
| 113 | Stoel Rives                           | \$500                     | \$275                    | \$350                       | \$160                      | \$231                          | \$379                        | \$324                         | \$230                      | \$375                    | \$330                     |
| 114 | Strasburger & Price                   | \$560                     | \$225                    | \$395                       | \$200                      | \$234                          | \$367                        | \$326                         | \$223                      | \$363                    | \$322                     |
| 115 | Sullivan & Worcester                  | \$700                     | \$415                    | \$420                       | \$245                      | \$309                          | \$550                        | \$438                         | \$290                      | \$540                    | \$440                     |
| 116 | Sutherland Asbill & Brennan           | \$715                     | \$375                    | \$415                       | \$215                      | \$292                          | \$511                        | \$335                         | \$280                      | \$500                    | \$305                     |
| 117 | Thacher Proffitt & Wood               | \$785                     | \$525                    | \$495                       | \$275                      | \$353                          | \$674                        | \$428                         | \$365                      | \$700                    | \$395                     |
| 118 | Thompson & Knight                     | \$730                     | \$370                    | \$370                       | \$205                      | \$295                          | \$496                        | \$415                         | \$310                      | \$485                    | \$400                     |
| 119 | Thompson Coburn                       | \$580                     | \$265                    | \$370                       | \$170                      |                                |                              |                               |                            |                          |                           |
| 120 | Ulmer & Berne                         | \$470                     | \$240                    | \$290                       | \$165                      | \$212                          | \$343                        | \$280                         |                            |                          |                           |
| 121 | Vedder, Price, Kaufman & Kammholz     | \$650                     | \$335                    | \$410                       | \$205                      | \$281                          | \$430                        | \$372                         | \$370                      | \$425                    | \$365                     |
| 122 | Wiggin and Dana                       | \$590                     | \$295                    | \$350                       | \$195                      |                                |                              |                               |                            |                          |                           |
| 123 | Williams Mullen                       | \$600                     | \$300                    | \$425                       | \$205                      |                                |                              |                               |                            |                          |                           |
| 124 | Wilmer Cutler Pickering Hale and Dorr | \$1,000                   | \$475                    | \$495                       | \$215                      |                                |                              |                               |                            |                          |                           |
| 125 | Winstead Sechrest & Minick            | \$620                     | \$345                    | \$360                       | \$180                      |                                |                              |                               |                            |                          |                           |
| 126 | Winston & Strawn                      | \$845                     | \$400                    | \$590                       | \$200                      | \$365                          | \$608                        | \$455                         | \$395                      | \$640                    | \$523                     |
| 127 | Womble Carlyle Sandridge & Rice       | \$575                     | \$290                    | \$370                       | \$195                      | \$268                          | \$426                        | \$355                         | \$265                      | \$425                    | \$360                     |

# **EXHIBIT "3"**

# THE WALL STREET JOURNAL.

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<http://www.wsj.com/articles/legal-fees-reach-new-pinnacle-1-500-an-hour-1454960708>

BUSINESS | LAW

## Legal Fees Cross New Mark: \$1,500 an Hour

Billing rates for partners at elite corporate law firms keep rising, despite low inflation, weak demand



Documents filed in chapter 11 bankruptcy cases offer a rare public glimpse at the mounting hourly fees of law partners at elite corporate law firms. Above, the U.S. Bankruptcy Court in New York. PHOTO: BRENDAN MCDERMID/REUTERS

By **SARA RANDAZZO** and **JACQUELINE PALANK**

Updated Feb. 9, 2016 10:11 a.m. ET

The day of the \$1,500-an-hour lawyer has arrived.

Partners at some of the nation's top law firms are approaching—and, in a few cases, surpassing—that watershed billing rate, making the \$1,000-an-hour legal fees that once seemed so steep look quaint by comparison.

Despite low inflation and weak demand for legal services, rates at large corporate law firms have risen by 3% to 4% a year since the economic downturn, according to Citi Private Bank's Law Firm Group.

“We just raise them every year,” said John Altorelli, a finance lawyer at DLA Piper LLP in New York, who says the firm has set his rate at more than \$1,500 an hour. Mr. Altorelli, who filed for personal bankruptcy in 2014 to halt a legal battle with the estate of his former law firm, Dewey & LeBoeuf LLP, cracked the \$1,000-an-hour mark a decade ago. His fees have risen steadily ever since.

To soften the blow to clients, Mr. Altorelli does more than half his work on some kind of fixed-fee basis. “Using hourly rates is really anachronistic, but we still do it,” he said.

Raising rates ensures that law firms keep up with the competition and helps them wrest more money from clients, who routinely demand discounts for all but the most sensitive work.

“If you think of the rules of supply and demand, how in the world can they keep raising their rates?” said Jeff Carr, a former general counsel of oil-and-gas services and equipment company FMC Technologies who for years has been an outspoken opponent of hourly legal rates.

The rate creep has boosted law firms’ revenue at a time when many of them are under pressure from lower-cost legal-service providers and corporate clients that are keeping more legal work in-house. Revenue at law firms rose 4% last year, according to Wells Fargo Private Bank’s Legal Specialty Group, though demand rose just 0.5%.

“Lots of law firms will charge whatever the market can bear,” said the head of one of the nation’s 200 largest law firms.

Documents filed in chapter 11 bankruptcy cases offer a rare public glimpse at mounting fees. These court filings show the rates of partners specializing in corporate restructuring, as well as those with specialties like tax, litigation and corporate law.

A review of filings over the past three months in about two dozen bankruptcy cases shows that senior partners routinely charge between \$1,200 and \$1,300 an hour, with top rates at several large law firms exceeding \$1,400.

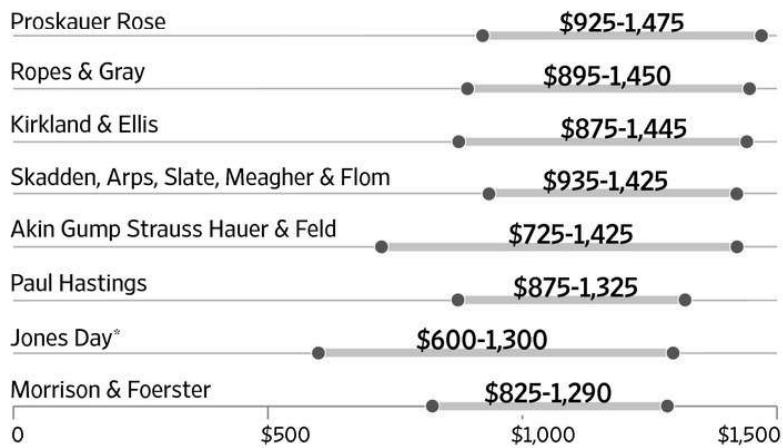
Proskauer Rose LLP’s hourly partner billing rate has climbed as high as \$1,475, while Ropes & Gray LLP’s tops out at \$1,450, court papers show.

Kirkland & Ellis LLP’s top hourly billing rate is now \$1,445. And rates at two firms—Akin Gump Strauss Hauer & Feld LLP and Skadden, Arps, Slate, Meagher & Flom LLP—peak at \$1,425 an hour.

Representatives of the law firms declined to comment.

## Top Billers

Hourly rates of partners at top U.S. law firms now approach \$1,500.



\*Includes partners and of counsel

Source: Bankruptcy court filings

THE WALL STREET JOURNAL.

Martin Bienenstock, who leads Proskauer's restructuring practice, called the \$1,225 an hour he billed clients last year "a market rate similar to my peers at other firms," and said he charges the same rate for nonbankruptcy work.

"The clients have kept coming back and growing during my 38-year career," he

said in an email, adding that clients generally prefer dealing directly with senior lawyers versus younger associates with lower rates.

In disclosing their firmwide rate increases, many firms tell the courts it is a standard way of keeping pace with "economic and other conditions." These include rising fixed costs, such as real estate and salaries.

In theory, a law-firm partner's pay rises and falls with the success of the firm. But, as competition for top talent increases, many firms feel the need to guarantee salaries or ensure a partner's pay doesn't fall, even in down years.

Still, only elite lawyers can charge \$1,400 an hour or more. Such rates are found almost exclusively in New York and other major markets, and only in the least price-sensitive fields like mergers and acquisitions, restructuring, tax, antitrust and high-stakes litigation and appeals.

For lawyers at the very top of those fields, hourly rates can hit \$1,800 or even \$1,950.

"You have a very few people at the very top where price is almost no object," said legal consultant Bruce MacEwen, who likens it to the way celebrities, sports stars and best-selling authors are paid. "It is a talent market."

Most lawyers in the U.S. fall well below those high marks. In a survey of in-house legal departments by BTI Consulting Group, the average highest rate paid for

law-firm partners was \$875 an hour in 2015, up more than 27% from three years earlier. Of the respondents, 38% had paid more than \$1,000 an hour for a lawyer, and the highest rate those in the survey paid was \$1,600 an hour.

For many firms, the stated rate is simply a starting point in discussions with corporate law departments. As a result, said legal consultant Ward Bower of Altman Weil, “sophisticated” law firms tend to implement annual rate increases to offset clients’ requests for discounts.

Such discounts are becoming more commonplace. A decade ago, law firms could typically get clients to pay around 92% of their stated rates, according to Thomson Reuters Peer Monitor. Last year, that fell to less than 83%.

Smaller companies can get squeezed the most on fees, because they don’t send enough work to any one law firm to get the best deals.

Companies with \$4 billion or more in annual revenue were twice as likely as those with less than \$100 million in revenue to use some form of alternative fee, according to a survey from industry trade group the Association of Corporate Counsel.

Some industry watchers view the raise-and-discount approach with skepticism.

“If clients are pushing back on rates, the answer isn’t to raise them” and then ask for a discount, Mr. MacEwen said. “The answer is to provide better total value.”

**Write to** Sara Randazzo at [sara.randazzo@wsj.com](mailto:sara.randazzo@wsj.com) and Jacqueline Palank at [jacqueline.palank@wsj.com](mailto:jacqueline.palank@wsj.com)

# **EXHIBIT "4"**

# LAFFEY MATRIX

[History](#)
[Case Law](#)
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|                  |                      |                         | Years Out of Law School * |       |       |       |        |
|------------------|----------------------|-------------------------|---------------------------|-------|-------|-------|--------|
| Year             | Adjustmt<br>Factor** | Paralegal/<br>Law Clerk | 1-3                       | 4-7   | 8-10  | 11-19 | 20 +   |
| 6/01/23- 5/31/24 | 1.059295             | \$239                   | \$437                     | \$538 | \$777 | \$878 | \$1057 |
| 6/01/22- 5/31/23 | 1.085091             | \$225                   | \$413                     | \$508 | \$733 | \$829 | \$997  |
| 6/01/21- 5/31/22 | 1.006053             | \$208                   | \$381                     | \$468 | \$676 | \$764 | \$919  |
| 6/01/20- 5/31/21 | 1.015894             | \$206                   | \$378                     | \$465 | \$672 | \$759 | \$914  |
| 6/01/19- 5/31/20 | 1.0049               | \$203                   | \$372                     | \$458 | \$661 | \$747 | \$899  |
| 6/01/18- 5/31/19 | 1.0350               | \$202                   | \$371                     | \$455 | \$658 | \$742 | \$894  |
| 6/01/17- 5/31/18 | 1.0463               | \$196                   | \$359                     | \$440 | \$636 | \$717 | \$864  |
| 6/01/16- 5/31/17 | 1.0369               | \$187                   | \$343                     | \$421 | \$608 | \$685 | \$826  |
| 6/01/15- 5/31/16 | 1.0089               | \$180                   | \$331                     | \$406 | \$586 | \$661 | \$796  |
| 6/01/14- 5/31/15 | 1.0235               | \$179                   | \$328                     | \$402 | \$581 | \$655 | \$789  |
| 6/01/13- 5/31/14 | 1.0244               | \$175                   | \$320                     | \$393 | \$567 | \$640 | \$771  |
| 6/01/12- 5/31/13 | 1.0258               | \$170                   | \$312                     | \$383 | \$554 | \$625 | \$753  |
| 6/01/11- 5/31/12 | 1.0352               | \$166                   | \$305                     | \$374 | \$540 | \$609 | \$734  |
| 6/01/10- 5/31/11 | 1.0337               | \$161                   | \$294                     | \$361 | \$522 | \$589 | \$709  |
| 6/01/09- 5/31/10 | 1.0220               | \$155                   | \$285                     | \$349 | \$505 | \$569 | \$686  |
| 6/01/08- 5/31/09 | 1.0399               | \$152                   | \$279                     | \$342 | \$494 | \$557 | \$671  |
| 6/01/07-5/31/08  | 1.0516               | \$146                   | \$268                     | \$329 | \$475 | \$536 | \$645  |
| 6/01/06-5/31/07  | 1.0256               | \$139                   | \$255                     | \$313 | \$452 | \$509 | \$614  |
| 6/1/05-5/31/06   | 1.0427               | \$136                   | \$249                     | \$305 | \$441 | \$497 | \$598  |
| 6/1/04-5/31/05   | 1.0455               | \$130                   | \$239                     | \$293 | \$423 | \$476 | \$574  |
| 6/1/03-6/1/04    | 1.0507               | \$124                   | \$228                     | \$280 | \$405 | \$456 | \$549  |
| 6/1/02-5/31/03   | 1.0727               | \$118                   | \$217                     | \$267 | \$385 | \$434 | \$522  |
| 6/1/01-5/31/02   | 1.0407               | \$110                   | \$203                     | \$249 | \$359 | \$404 | \$487  |
| 6/1/00-5/31/01   | 1.0529               | \$106                   | \$195                     | \$239 | \$345 | \$388 | \$468  |
| 6/1/99-5/31/00   | 1.0491               | \$101                   | \$185                     | \$227 | \$328 | \$369 | \$444  |
| 6/1/98-5/31/99   | 1.0439               | \$96                    | \$176                     | \$216 | \$312 | \$352 | \$424  |
| 6/1/97-5/31/98   | 1.0419               | \$92                    | \$169                     | \$207 | \$299 | \$337 | \$406  |

|                |        |      |       |       |       |       |       |
|----------------|--------|------|-------|-------|-------|-------|-------|
| 6/1/96-5/31/97 | 1.0396 | \$88 | \$162 | \$198 | \$287 | \$323 | \$389 |
| 6/1/95-5/31/96 | 1.032  | \$85 | \$155 | \$191 | \$276 | \$311 | \$375 |
| 6/1/94-5/31/95 | 1.0237 | \$82 | \$151 | \$185 | \$267 | \$301 | \$363 |

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

\*  $\frac{1}{2}$ Years Out of Law School  $\frac{1}{2}$  is calculated from June 1 of each year, when most law students graduate.  $\frac{1}{2}$ 1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1).  $\frac{1}{2}$ 4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier  $\frac{1}{2}$ 1-3" from June 1, 1996 until May 31, 1999, would move into tier  $\frac{1}{2}$ 4-7" on June 1, 1999, and tier  $\frac{1}{2}$ 8-10" on June 1, 2003.

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

# **EXHIBIT "5"**

Printed from

RCI Electric, Inc. a.k.a. Rayco Electric adv. Herrera, Eric

Eric Herrera •

Historic Cost

\$10,534.45

Postage Cost

Created: 6/5/2024 at 1:38 PM

Trialworks TaskCode

Postage Cost

Date Incurred

5/10/2024

Payee

DocuSign

Notes

MOU to client for review/signature via DocuSign  
MOU to client for review/signature via DocuSign

\$5.80

10

Filing Fee

Created: 5/9/2024 at 11:21 AM

Trialworks TaskCode

filing fee

Date Incurred

4/19/2024

Payee

One Legal

Description

OLINV#05931359 RCI 4.19.24

Docs

PDF

OLINV#05931359 RCI 4.19.24.pdf ▾

\$18.43

Court Cost

Created: 6/27/2024 at 1:46 PM

\$1.00

|                                     |                                                                                                                            |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
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| <b>Date Incurred</b><br>4/18/2024   | <b>Description</b><br>eServe Charge   22712355-R1   34-2021-00311447-CU-OE-GDS   Bill Code: RCI   1 recipient   04/18/2024 |

|                                                           |                                                                                                                                 |         |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>Filing Fee</b> <div>Created: 5/8/2024 at 4:12 PM</div> |                                                                                                                                 | \$51.48 |
| <b>Trialworks TaskCode</b><br>filing fee                  | <b>Description</b><br>OLINV#05930506 RCI 4.18.24                                                                                |         |
| <b>Date Incurred</b><br>4/18/2024                         | <b>Docs</b><br> OLINV#05930506 RCI 4.18.24.pdf |         |
| <b>Payee</b><br>One Legal                                 |                                                                                                                                 |         |

|                                                            |                                                                                                                                  |         |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>Filing Fee</b> <div>Created: 4/17/2024 at 1:07 PM</div> |                                                                                                                                  | \$51.48 |
| <b>Trialworks TaskCode</b><br>filing fee                   | <b>Description</b><br>OLINV#05895348 RCI 4.8.24                                                                                  |         |
| <b>Date Incurred</b><br>4/8/2024                           | <b>Docs</b><br> OLINV#05895348 RCI 4.8.24.pdf |         |
| <b>Payee</b><br>One Legal                                  |                                                                                                                                  |         |

|                                                            |  |         |
|------------------------------------------------------------|--|---------|
| <b>Filing Fee</b> <div>Created: 4/11/2024 at 2:19 PM</div> |  | \$18.43 |
|------------------------------------------------------------|--|---------|

|                                          |                                                                                                                                  |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>Trialworks TaskCode</b><br>filing fee | <b>Description</b><br>OLINV#05892212 RCI 4.8.24                                                                                  |
| <b>Date Incurred</b><br>4/8/2024         | <b>Docs</b><br> OLINV#05892212 RCI 4.8.24.pdf ▾ |
| <b>Payee</b><br>One Legal                |                                                                                                                                  |

|                                                 |                                                                                                                             |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>Court Cost</b> <div><div>\$11.00</div></div> |                                                                                                                             |
| <i>Created: 6/27/2024 at 11:42 AM</i>           |                                                                                                                             |
| <b>Trialworks TaskCode</b><br>costs             | <b>Payee</b><br>One Legal                                                                                                   |
| <b>Date Incurred</b><br>4/6/2024                | <b>Description</b><br>eServe Charge   22621024-R1   34-2021-00311447-CU-OE-GDS   Bill Code: RCI   3 recipients   04/06/2024 |

|                                                        |                                                                                                                                   |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>Mediation Cost</b> <div><div>\$6,375.00</div></div> |                                                                                                                                   |
| <i>Created: 3/25/2024 at 8:39 AM</i>                   |                                                                                                                                   |
| <b>Trialworks TaskCode</b><br>costs                    | <b>Description</b><br>JWINV#625568 Re RCI paid                                                                                    |
| <b>Date Incurred</b><br>3/25/2024                      | <b>Docs</b><br> JWINV#625568 Re RCI paid.pdf ▾ |
| <b>Payee</b><br>Judicate West                          |                                                                                                                                   |

|                                                 |  |
|-------------------------------------------------|--|
| <b>Filing Fee</b> <div><div>\$51.48</div></div> |  |
| <i>Created: 2/27/2024 at 1:35 PM</i>            |  |

|                                          |                                                                                                                                   |
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| <b>Trialworks TaskCode</b><br>filing fee | <b>Description</b><br>OLINV#05691873 RCI 1.31.24                                                                                  |
| <b>Date Incurred</b><br>1/31/2024        | <b>Docs</b><br> OLINV#05691873 RCI 1.31.24.pdf ▾ |
| <b>Payee</b><br>One Legal                |                                                                                                                                   |

|                                                              |                                                                                                                                   |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>Filing Fee</b> <div><div>\$51.08</div><div>10</div></div> |                                                                                                                                   |
| <i>Created: 2/27/2024 at 10:48 AM</i>                        |                                                                                                                                   |
| <b>Trialworks TaskCode</b><br>filing fee                     | <b>Description</b><br>OLINV#05691646 RCI 1.31.24                                                                                  |
| <b>Date Incurred</b><br>1/31/2024                            | <b>Docs</b><br> OLINV#05691646 RCI 1.31.24.pdf ▾ |
| <b>Payee</b><br>One Legal                                    |                                                                                                                                   |

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|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Filing Fee</b> <div><div>\$51.48</div><div></div></div> |                                                                                                                                     |
| <i>Created: 2/27/2024 at 10:32 AM</i>                      |                                                                                                                                     |
| <b>Trialworks TaskCode</b><br>filing fee                   | <b>Description</b><br>OLINV#05691627 RCI 1.31.24                                                                                    |
| <b>Date Incurred</b><br>1/31/2024                          | <b>Docs</b><br> OLINV#05691627 RCI 1.31.24.pdf ▾ |
| <b>Payee</b><br>One Legal                                  |                                                                                                                                     |

Filing Fee

\$18.43

Created: 2/22/2024 at 2:23 PM

Trialworks TaskCode

filing fee

Date Incurred

1/22/2024

Payee

One Legal

Description

OLINV#05667720 RCI 1.22.24

Docs

 OLINV#05667720 RCI 1.22.24.pdf ▾



Filing Fee

\$18.43

Created: 2/22/2024 at 2:04 PM

Trialworks TaskCode

filing fee

Date Incurred

1/22/2024

Payee

One Legal

Description

OLINV#05667227 RCI 1.22.24

Docs

 OLINV#05667227 RCI 1.22.24.pdf ▾

Court Cost

\$1.00

Created: 6/20/2024 at 11:18 AM

Trialworks TaskCode

costs

Date Incurred

1/18/2024

Payee

One Legal

Description

eServe Charge | 22042876-R1 | 34-2021-00311447-CU-OE-GDS | Bill Code: RCI | 5 recipients | 01/18/2024

Court Cost

\$1.00

Created: 6/20/2024 at 11:13 AM

Trialworks TaskCode

costs

Date Incurred

1/18/2024

Payee

One Legal

Description

eServe Charge | 22037390-R1 | 34-2021-00311447-CU-OE-GDS | Bill Code: RCI Electric | 4 recipients | 01/18/2024



Filing Fee

\$22.55

Created: 2/22/2024 at 12:11 PM

Trialworks TaskCode

filing fee

Date Incurred

1/18/2024

Payee

One Legal

Description

OLINV#05658420 RCI 1.18.24

Docs

 OLINV#05658420 RCI 1.18.24.pdf ▾

Filing Fee

\$147.99

Created: 12/14/2023 at 2:24 PM

Trialworks TaskCode

filing fee

Date Incurred

11/19/2023

Payee

One Legal

Description

OLINV#05485316 RCI 11.19.23

Docs

 OLINV#05485316 RCI 11.19.23.pdf ▾

## Filing Fee

**\$167.55***Created: 9/22/2023 at 11:01 AM***Trialworks TaskCode**

filing fee

**Date Incurred**

9/18/2023

**Payee**

One Legal

**Description**

OLINV#05330343 RCI 9.18.23

**Docs** OLINV#05330343 RCI 9.18.23.pdf ▾

10



## Research Cost

**\$257.96***Created: 9/28/2023 at 1:31 PM***Trialworks TaskCode**

costs

**Date Incurred**

8/31/2023

**Payee**

Thomson Reuters

**Description**

billing period of 8/1/23-8/31/23

## Filing Fee

**\$232.92***Created: 8/24/2023 at 1:02 PM***Trialworks TaskCode**

filing fee

**Date Incurred**

8/23/2023

**Payee**

One Legal

**Description**

OLINV#05257693 RCI 8.23.23

**Docs** OLINV#05257693 RCI 8.23.23.pdf ▾

## Reimbursement

**-\$400.00***Created: 3/1/2023 at 2:58 PM***Trialworks TaskCode**

costs

**Description**

K&amp;K Costs re RCI 3.1.23

**Date Incurred**

3/1/2023

**Docs** K&K Costs re RCI 3.1.23.pdf ▼**Payee**

K&amp;K



## Postage Cost

**\$5.80***Created: 2/10/2023 at 8:21 AM***Trialworks TaskCode**

Postage Cost

**Payee**

DocuSign

**Date Incurred**

2/10/2023

## Filing Fee

**\$22.75***Created: 12/20/2022 at 1:31 PM***Trialworks TaskCode**

filing fee

**Description**

OLINV#04548704 RCI 11.22.22

**Date Incurred**

11/22/2022

**Docs** OLINV#04548704 RCI 11.22.22.pdf ▼**Payee**

One Legal

## Filing Fee

**\$118.91***Created: 12/20/2022 at 1:21 PM***Trialworks TaskCode**

filing fee

**Date Incurred**

11/21/2022

**Payee**

One Legal

**Description**

OLINV#04547455 RCI 11.21.22

**Docs** OLINV#04547455 RCI 11.21.22.pdf ▾

## Research Cost

**\$145.12***Created: 11/9/2022 at 12:15 PM***Trialworks TaskCode**

costs

**Date Incurred**

11/9/2022

**Payee**

Thomson Reuters

**Description**

billing period of 8/1/22-8/31/22

## Filing Fee

**\$118.65***Created: 11/7/2022 at 1:18 PM***Trialworks TaskCode**

filing fee

**Date Incurred**

10/24/2022

**Payee**

One Legal

**Description**

OLINV#04474948 RCI 10.24.22

**Docs** OLINV#04474948 RCI 10.24.22.pdf ▾

Created: 10/20/2022 at 4:25 PM

\$4.10

**Trialworks TaskCode**

Copies

**Payee**

Paper Cut

**Date Incurred**

10/20/2022

**Notes**

Demand for Arb to Def

Demand for Arb to Def

## Postage Cost

\$2.88

Created: 10/20/2022 at 4:25 PM

**Trialworks TaskCode**

Postage Cost

**Notes**

Demand for Arb to Def via cert mailing

Demand for Arb to Def via cert mailing

**Date Incurred**

10/20/2022

## Filing Fee

\$225.20

Created: 10/14/2022 at 1:23 PM

**Trialworks TaskCode**

filing fee

**Description**

OLINV#04406147 RCI 9.28.22

**Date Incurred**

9/28/2022

**Docs**

OLINV#04406147 RCI 9.28.22.pdf ▾

**Payee**

One Legal

## Filing Fee

\$118.39

Created: 10/5/2022 at 11:09 AM

**Trialworks TaskCode**

filing fee

**Date Incurred**

9/13/2022

**Payee**

One Legal

**Description**

OLINV#04367265 RCI 9.13.22

**Docs** OLINV#04367265 RCI 9.13.22.pdf ▼

## Filing Fee

\$118.91

*Created: 5/4/2022 at 12:29 PM***Trialworks TaskCode**

filing fee

**Date Incurred**

5/3/2022

**Payee**

One Legal

**Description**

OLINV#04047626 RCI 5.3.22

**Docs** OLINV#04047626 RCI 5.3.22.pdf ▼

## Filing Fee

\$118.91

*Created: 4/6/2022 at 9:50 AM***Trialworks TaskCode**

filing fee

**Date Incurred**

4/1/2022

**Payee**

One Legal

**Description**

OLINV#03970012 RCI 4.1.22

**Docs** OLINV#03970012 RCI 4.1.22.pdf ▼

## Filing Fee

**\$112.73***Created: 3/11/2022 at 1:58 PM***Trialworks TaskCode**

filing fee

**Date Incurred**

3/4/2022

**Payee**

One Legal

**Description**

OLINV#03903772 RCI 3.4.22

**Docs**

OLINV#03903772 RCI 3.4.22.pdf ▾

10



## Filing Fee

**\$112.99***Created: 3/10/2022 at 12:49 PM***Trialworks TaskCode**

filing fee

**Date Incurred**

2/24/2022

**Payee**

One Legal

**Description**

OLINV#03881695 RCI 2.24.22

**Docs**

OLINV#03881695 RCI 2.24.22.pdf ▾

## Filing Fee

**\$134.86***Created: 2/9/2022 at 1:37 PM*

**Trialworks TaskCode**

filing fee

**Date Incurred**

1/26/2022

**Payee**

One Legal

**Description**

OLINV#03814232 RCI 1.26.22

**Docs** OLINV#03814232 RCI 1.26.22.pdf ▼

## Filing Fee

\$109.44

*Created: 1/13/2022 at 12:23 PM***Trialworks TaskCode**

filing fee

**Date Incurred**

1/6/2022

**Payee**

One Legal

**Description**

OLINV#03769564 RCI 1.6.22

**Docs** OLINV#03769564 RCI 1.6.22.pdf ▼

## Process Server Fee

\$159.48

*Created: 1/13/2022 at 11:47 AM***Trialworks TaskCode**

costs

**Date Incurred**

1/5/2022

**Payee**

OnCall

**Description**

OCINV#242902 RCI 1.5.22

**Docs** OCVINV#242902 RCI 1.5.22.pdf ▼

## Filing Fee

**\$108.87***Created: 1/6/2022 at 11:36 AM***Trialworks TaskCode**

filing fee

**Date Incurred**

12/30/2021

**Payee**

One Legal

**Description**

OLINV#03757172 RCI 12.30.21

**Docs**

OLINV#03757172 RCI 12.30.21.pdf ▾

*Created: 12/27/2021 at 12:40 PM***\$0.60****Trialworks TaskCode**

Copies

**Date Incurred**

12/27/2021

**Payee**

Papercut

## Postage Cost

**\$0.73***Created: 12/27/2021 at 12:39 PM***Trialworks TaskCode**

Postage

**Date Incurred**

12/27/2021

## Filing Fee

**\$1,567.41***Created: 12/15/2021 at 2:42 PM***Trialworks TaskCode**

Filing Fee

**Date Incurred**

11/23/2021

|                                                   |                                                                                                                                    |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <b>Payee</b><br>One Legal                         | <b>Docs</b><br> OLINV#03685377 RCI 11.23.21.pdf ▾ |
| <b>Description</b><br>OLINV#03685377 RCI 11.23.21 |                                                                                                                                    |

|                                          |                                                                                                                                                 |                                                                                     |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>Filing Fee</b>                        |                                                                                                                                                 | <b>\$75.00</b>                                                                      |
| <i>Created: 11/9/2021 at 1:20 PM</i>     |                                                                                                                                                 |                                                                                     |
| <b>Trialworks TaskCode</b><br>Filing Fee | <b>Description</b><br>State of California - Department of Industrial Relations Customer Receipt _ Purchase Confirmation RCI Electric            |  |
| <b>Date Incurred</b><br>11/9/2021        | <b>Docs</b><br> State of California - Department of Indus... ▾ |                                                                                     |
| <b>Payee</b><br>LWDA                     |                                                                                                                                                 |                                                                                     |

**RCI Electric, Inc. a.k.a. Rayco Electric adv. Herrera, Eric**

## Historic Cost

**\$0.30**

**Trialworks TaskCode**

Copies

**Date Incurred**

11/9/2021

**Payee**

Paper Cut

**Postage Cost**

**\$7.33**

*Created: 11/9/2021 at 12:45 PM*



**Trialworks TaskCode**

Postage Cost

**Date Incurred**

11/9/2021

(Proof of Submission to Labor &  
Workforce Development Agency)

# **EXHIBIT "6"**

(PROOF OF SERVICE)  
[CCP 1013(a)(3)]

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 16133 Ventura Boulevard, Suite 1200, Encino, California 91436.

On July 8, 2024, I served all interested parties in this action the following documents described as: **DECLARATION OF LIANE KATZENSTEIN LY IN SUPPORT OF MOTION FOR APPROVAL OF REPRESENTATIVE ACTION SETTLEMENT** by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

PALMER KAZANJIAN WOHL HODSON LLP

Larry M. Kazanjian

lkazanjian@pkwhlaw.com

Cassandra Viscia

cviscia@pkwhlaw.com

2277 Fair Oaks Boulevard, Suite 455

Sacramento, CA 95825

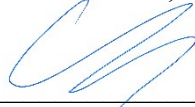
Attorneys for Defendant

**[XX] BY ELECTRONIC SERVICE:** I caused a true and correct copy thereof to be electronically filed using the Labor and Workforce Development Agency Electronic Filing ("EF") System (<https://dir.tfaforms.net/315>) and service was completed by electronic means by transmittal of the documents referenced herein on the EF System.

**[XX] (BY ELECTRONIC MAIL TRANSMISSION):** I caused the document to be send to the persons at the e-mail address(es) listed on the attached service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. A pdf copy of which was sent via email to the above email address(es).

**[XX] (STATE)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 8, 2024, at Woodland Hills, California.



Michelle Tanzer