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

RICHARD CABANAS, individually, on behalf
of all others similarly situated, and on behalf of
the State of California and other aggrieved
persons,

Plaintiff,

v.

F.R.T. INTERNATIONAL, INC. DBA
FRONTIER LOGISTICS SERVICES, a
California corporation FAIRWAY STAFFING
SERVICES, a California corporation; and DOES
1 through 10, inclusive,

Defendants.

Electronically FILED by
Superior Court of California,
County of Los Angeles
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David W. Slayton,
Executive Officer/Clerk of Court,
By K. Valenzuela, Deputy Clerk

Case No.: 22STCV09374

PAGA REPRESENTATIVE ACTION

[Assigned for all purposes to: Hon. Elihu M.
Berle, Dept. 6]

**DECLARATION OF JUSTIN F.
MARQUEZ IN SUPPORT OF
PLAINTIFF'S MOTION TO APPROVE
PAGA SETTLEMENT**

Date: June 25, 2024
Time: 9:00 a.m.
Dept.: 6

Complaint Filed: March 16, 2022
FAC Filed: May 24, 2022
Trial Date: Not Set

DECLARATION OF JUSTIN F. MARQUEZ

I, Justin F. Marquez, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Senior Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiff Richard Cabanas (“Plaintiff”). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness.

2. This Declaration is submitted in support of Plaintiff's Motion to Approve PAGA Settlement.

Background

3. F.R.T. International, Inc. dba Frontier Logistics Services (“Frontier”) provides logistics services for supply chains including freight delivery, warehousing and distribution, and customs compliance. Fairway Staffing Services (“Fairway Staffing”, and collectively with Frontier, “Defendants”) provides staffing services with approximately 12 locations in California. Plaintiff worked for Defendants in Ontario, California as an hourly-paid, non-exempt employee from approximately March 2019 to approximately March 2021.

4. Plaintiff's PAGA claims stem from Defendants alleged failure to pay for all hours worked (minimum, straight time, and overtime wages), alleged failure to provide meal periods, alleged failure to authorize and permit rest periods, alleged failure to maintain accurate records of hours worked and meal periods, alleged failure to timely pay final wages, alleged failure to furnish accurate wage statements, and alleged failure to indemnify for necessary business expenditures.

5. On March 16, 2022, Plaintiff provided notice to the California Labor & Workforce Development Agency (“LWDA”) and Defendants of the violations described above, as required by Labor Code § 2699.3(a)(1). Pursuant to Labor Code § 2699.3(a)(2)(A), the LWDA had 65 calendar days to notify Plaintiff and Defendants whether it intended to investigate the alleged violations. However, the LWDA did not do so.

Discovery and Investigation

6. After Plaintiff filed this action, the Parties engaged in extensive settlement discussions and agreed to attend private mediation. In advance of, and in order to facilitate a productive mediation, Defendants provided Plaintiff with informally produced discovery consisting of timekeeping and payroll data for a sampling of the aggrieved employees, and applicable policies in effect during the relevant time period. Thereafter, the Parties engaged in extensive discussions about the factual and legal strengths (and weaknesses) of the claims and defenses.

7. On June 22, 2022, the Parties and their counsel participated in private mediation with David Phillips, Esq. The settlement negotiations were at arm's length and, although conducted in a professional manner, were adversarial. The Parties went into the mediation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate their or its position through trial and appeal if a settlement had not been reached.

8. Ultimately, after an all-day mediation presided over by David Phillips, Esq., the Parties agreed to settle the representative PAGA claims on behalf of all aggrieved employees for \$100,000.00, which is comprised of all non-exempt employees who were placed by Fairway Staffing to work at Frontier, in the state of California, and worked at any time from March 16, 2021 through the date of approval of the PAGA Settlement. There are approximately 452 aggrieved employees covered by the settlement. Plaintiff submitted the Settlement to the LWDA on May 30, 2024, pursuant to Labor Code § 2699(1)(2). A true and correct copy of the Settlement executed by the Parties is attached to this Declaration as **Exhibit A**. Additionally, attached as **Exhibit B** is the Settlement Notice that will be sent to the PAGA Employees with payment after the Court enters a Judgement on its Order Approving the PAGA Settlement. (Settlement, ¶ 1.21.)

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

Assessment of Amount in Controversy and Risks of Continued Litigation

10. Plaintiff and my firm remain confident of the merits of Plaintiff's claims. Plaintiff's allegation that Defendants failed to pay Plaintiff and the aggrieved employees all of their owed wages is based on Defendants' failure to: 1) pay employees for work performed "off-the-clock;" and 2) include non-discretionary remuneration (i.e., bonuses) in the regular rate of pay for overtime purposes. Although present on the face of the records, Defendants may be able to show that any bonuses issued to employees were entirely discretionary, and therefore, did not need to be included in the regular rate of pay for purposes of calculating the overtime rate. (*See* 29 C.F.R. §§ 778.208, 778.211 [excluding "discretionary" bonuses from the regular rate]; *see also* DLSE Manual § 49.1.2.4(3) [bonuses are discretionary, and therefore excludable, if "both the fact that payment is to be made and the amount of the payment" are discretionary].) With respect to the meal period allegation, Plaintiff alleges that Defendants had an auto-deduct meal period policy and would regularly interrupt or delay meal periods. Although Plaintiff contends that this allegation is meritorious, there is risk with this underlying claim. With respect to the rest period allegation, Plaintiff contends that employees, including himself, were not provided with California-compliant rest periods. Again, despite Plaintiff's contention that this allegation is credible, proving rest period allegations is particularly difficult because rest periods do not have to be recorded and Defendants may be able to show that the aggrieved employees chose to voluntarily forego their rest periods. With respect to the unreimbursed business expenses allegation, Plaintiff alleges that Defendants required him and the other aggrieved employees to purchase various work-related tools and equipment, including, without limitation, vests, notepads, calculators, and cutting blades, and also required aggrieved employees to use their cell phones after work to communicate with management, without reimbursement. Defendants dispute this claim and may be able to show that they provided employees with all the necessary tools required for the performance of their duties and as such, any additional tools purchased by employees and personal cell phone use were not truly necessary.

11. With regard to Plaintiff's wage statement claim, Defendants argue that the wage statements issued to employees meet the requirements of Labor Code § 226(a).

12. Plaintiff believed there was a legitimate risk of the Court significantly reducing penalties given the technical nature of the alleged violations. Without this settlement, the Parties face preparation for trial, as well as extensive formal discovery efforts and further depositions. As a result, the Parties would incur considerably more attorneys' fees and costs through trial. This settlement avoids those risks and the accompanying expense. Thus, this factor favors settlement approval.

13. My expert determined that there were 5,591 pay periods during the relevant time period which presented issues with regard to unpaid wages, meal period violations, rest period violations, and unreimbursed business expenses. Applying the \$100 "initial violation" penalty for each of these pay periods, Defendants' potential PAGA exposure is \$559,100.00 (based on 5,591 pay periods). However, Defendants' contention that the underlying allegations lacked merit led to Plaintiff discounting this maximum exposure by 70% to account for the risk of not prevailing on the merits and the Court's discretion in reducing penalties, for a total of \$167,730.00.

14. Accordingly, Plaintiff predicted that the realistic total potential recovery for the PAGA Employees and the LWDA would be approximately \$167,730.00. The proposed Settlement of \$100,000.00 therefore represents 59% of Plaintiff's reasonably forecasted total recovery. In this case, continued litigation would delay payment to the LWDA and the PAGA Employees as they await trial and, potentially, appellate proceedings. Furthermore, while Plaintiff is confident in the merits of the case, a legitimate controversy exists as to each of the predicate Labor Code violations. The possibility that the Court finds no liability at the PAGA bench trial is also a risk. In sum, when the risks of litigation, the burdens of proof necessary to establish liability, and the probability of appeal of a favorable judgment are balanced against the merits of Plaintiff's claims, it is clear that the settlement amount is fair. Further, because of the proposed Settlement, the PAGA Employees will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. Plaintiff also recognizes that proving the amount of wages due to each employee would be an expensive, time-consuming, and uncertain proposition.

15. If the Court approves the terms of the Settlement, the gross amount per pay period would be approximately \$17.89 with approximately \$22,476.29 going to the LWDA. In reality,

1 some employees will likely receive more, and others may receive less depending on the length of
2 their employment with Defendants.

3 **PAGA Representative Service Payment**

4 16. The Settlement provides for a Service Payment to Plaintiff in an amount not to
5 exceed \$7,500.00. (Settlement, ¶ 3.2.3.) The requested service award is intended to recognize: (1)
6 the substantial time and effort that Plaintiff has expended on behalf of the State and aggrieved
7 employees; (2) the risks faced by Plaintiff as a result of bringing this action; (3) the fact that
8 Plaintiff put the interests of the State of California and other aggrieved employees ahead of his
9 own; and (4) the substantial benefit conferred upon the State and the aggrieved employees as a
10 result of Plaintiff's actions.

11 17. Plaintiff has spent numerous hours performing tasks for this case, including, but not
12 limited to, the following: consulting with counsel in-person and over the telephone; searching for
13 and producing relevant documents; reviewing documents produced by Defendants and settlement
14 documents; keeping informed of the developments in the case; and participating in decisions
15 concerning the case, including settlement. As a result of his efforts, the LWDA and about 452
16 aggrieved employees will receive compensation for civil penalties for underpaid wages and other
17 wage and hour violations.

18 18. Plaintiff put himself at significant risk in pursuing this action on behalf of the State,
19 as serving as a Plaintiff in a representative action could affect his prospects for future employment.
20 Plaintiff also placed himself at substantial risk because, if Defendants were to prevail in this action,
21 Plaintiff could be liable for Defendants' costs and attorneys' fees.

22 19. In short, this action would not have been possible without the aid of Plaintiff, who
23 put his own time and effort into this litigation, sacrificed the value of his individual claims by
24 entering into a general release of all known and unknown claims, and placed himself at risk for the
25 sake of the State and the aggrieved employees.

26 **Attorneys' Fees And Costs**

27 20. The Settlement provides for a payment of attorneys' fees in the amount of
28 \$33,333.33 and up to \$20,000.00 in costs to Plaintiff's counsel. As of the filing date, Plaintiff's

counsel's total lodestar is \$70,625.00, which is based upon 90 hours of attorney time at customary hourly rates. In addition, Plaintiff's counsel incurred \$19,148.28 in litigation costs. Plaintiff's counsel was required to expend the funds prosecuting this case to a successful resolution on, among other things, court filing fees, document service, postage, and copying. Because these costs are reasonable, Plaintiff's counsel respectfully requests that the Court approve the payment. Under these circumstances, Plaintiff's counsel is requesting a lodestar of about 0.47. Thus, Plaintiff's request for \$33,333.33 in attorneys' fees and costs is reasonable under the lodestar method.

21. The efforts expended by Plaintiff's counsel to achieve this excellent result include, but are not limited to, the following: interviews with Plaintiff and review of documents provided by Plaintiff and Defendants; preparing and revising the Complaint; filing of the PAGA complaint; investigating and researching the claims; analyzing the timekeeping and payroll records produced by Defendants in advance of mediation; preparing a mediation brief; participating in mediation; preparing and filing an amended complaint; drafting, negotiating, and revising the Settlement Agreement; communicating with the proposed Settlement Administrator; and drafting this Motion and supporting papers.

22. The regular and customary practice at Wilshire Law Firm, PLC is for all attorneys to maintain contemporaneous time records setting forth the amount of time spent (rounded to the nearest 0.1 hour) on each task in each case, with explanatory descriptions of each task performed. My colleagues and I followed this practice throughout this litigation. To calculate my firm's lodestar for this case, I reviewed the time records and exercised discretion in eliminating excessive entries. Using these time records, my office derived the following summary chart of timekeeping activities of the attorneys working on this case:

Attorney	Hours	Rate	Lodestar
Justin F. Marquez	14	\$1,500.00	\$21,000.00
Benjamin H. Haber	37	\$750	\$27,750.00
Maxim Gorbunov	28	\$575	\$16,100.00
Bradford Smith	11	\$525	\$5,775.00
Total: 90			\$70,625.00

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

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

25. Additional time will be required by Plaintiff's Counsel to monitor the settlement and respond to inquiries and oversee administration of the settlement and distribution of the fund. I estimate that my office will commit no less than 10 hours to those tasks and have included those hours above.

26. As of the drafting of this Motion, my office has incurred \$19,148.28 in expenses litigating this action. These expenses were reasonably necessary to the litigation and were actually incurred by my office. They should be reimbursed in full, up to the maximum amount allowed in the Settlement Agreement. Attached as **Exhibit C** to this declaration is a breakdown of costs incurred by my office. Additionally, we anticipate incurring \$300.00 in anticipated future costs for filing fees, messenger costs, and copying costs following the Court's Order re: Plaintiff's Motion to Approve PAGA Settlement, and request reimbursement of such as well. The anticipated future costs also include costs related to the future filing of a compliance statement related to the disbursement of the settlement funds.

Plaintiff's Counsel's Experience

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

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

litigation.

29. I graduated from the University of California, Los Angeles's College Honors Program in 2004 with Bachelor of Arts degrees in History and Japanese, magna cum laude and Phi Beta Kappa. As an undergraduate, I also received a scholarship to study abroad for one year at Tokyo University in Tokyo, Japan. I received my Juris Doctor from Notre Dame Law School in 2008.

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

31. I have received numerous awards for my legal work. From 2017 to 2020, Super Lawyers selected me as a "Southern California Rising Star," and from 2022 to 2024, I was selected as a "Southern California Super Lawyer." I was selected as one of the "Best Lawyers in America" in 2023 and 2024. In 2016 and 2017, the National Trial Lawyers selected me as a "Top 40 Under 40" attorney. I am also rated 10.0 ("Superb") by Avvo.com.

32. I am on the California Employment Lawyers Association ("CELA")'s Wage and Hour Committee and Mentor Committee, and I was selected to speak at CELA's 2019 Advanced Wage & Hour Seminar on the topic of manageability of class actions. Since 2013, I have actively mentored young attorneys through CELA's mentorship program.

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

34. As the attorney responsible for day-to-day management of this matter at the Wilshire Law Firm, PLC, I have over fourteen years of experience with litigating wage and hour class actions. Over the last fourteen years, I have managed and assisted with the litigation and settlement of several wage and hour class actions. In those class actions, I performed similar tasks

as those performed in the course of prosecuting this action. My litigation experience includes:

- a. I served as lead or co-lead in negotiating class action settlements worth over \$10 million in gross recovery to class members for each year since 2020, including over \$37.5 million in 2022 and over \$75 million in 2023.
- b. I was part of the team of attorneys that prevailed in *Moore v. Centrelake Medical Group, Inc.* (2022) 83 Cal.App.5th 515, the first California appellate decision in a data breach class action holding that consumer plaintiffs adequately alleged injury in fact under the benefit of the bargain theory and monitoring-costs theory.
- c. In 2022, Top Verdict recognized Wilshire Law Firm and myself for having one case in the Top 20 Labor & Employment Settlements (including number 19 for the \$4.1 million settlement in The FPI Management Wage and Hour Cases) and four additional cases in the Top 50 Labor & Employment Settlements (numbers 36, 39, 41, and 49).
- d. In 2021, Top Verdict recognized Wilshire Law Firm and myself for having one case in the Top 20 Labor & Employment Settlements (including number 19 for the \$1.6 million settlement in *Moreno v. Pretium Packaging, L.L.C.*) and four additional cases in the Top 50 Labor & Employment Settlements (numbers 27, 30, 33, and 37).
- e. To my knowledge, I am the only attorney to appear on each of the following Top Verdict lists for 2018 in California: Top 20 Civil Rights Violation Verdicts, Top 20 Labor & Employment Settlements, and Top 50 Class Action Settlements.
- f. As lead counsel, on April 29, 2021, I prevailed against CVS Pharmacy, Inc. by winning class certification on behalf of hundreds of thousands of consumers for misleading advertising claims in *Joseph Mier v. CVS Pharmacy, Inc.*, U.S. Dist. Ct. C.D. Cal. no. SA CV 20-1979-DOC-(ADSx).
- g. As lead counsel, I prevailed against Bank of America by: winning class certification on behalf of thousands of employees for California Labor Code violations; defeating appellate review of the court's order certifying the class; defeating summary judgment; and defeating a motion to dismiss. (*Frausto v. Bank of America, N.A.*

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

- h. I was the primary author of the class certification and expert briefs in *ABM Industries Overtime Cases* (2017) 19 Cal.App.5th 277, a wage and hour class action for over 40,000 class members for off-the-clock, meal period, split shift, and reimbursement claims. *ABM Industries Overtime Cases* is the first published California appellate authority to hold that an employer’s “auto-deduct policy for meal breaks in light of the recordkeeping requirements for California employers is also an issue amenable to classwide resolution.” (*Id.* at p. 310.)¹ Notably, the Court of Appeal also held that expert analysis of timekeeping records can also support the predominance requirement for class certification. (*Id.* at p. 310-11.) In 2021, the case settled for \$140 million, making it one of the largest ever wage and hour class action settlements for hourly-paid employees in California.
- i. I briefed, argued, and won *Yocupicio v. PAE Group, LLC* (9th Cir. 2015) 795 F.3d 1057. The Ninth Circuit ruled in my client’s favor and held that non-class claims under the PAGA cannot be used to calculate the amount in controversy under the Class Action Fairness Act (“CAFA”). This case is cited in several leading treatises such as Wright & Miller’s Federal Practice & Procedure, and Newberg on Class Actions. In October 2016, the U.S. Supreme Court denied review of a case that primarily concerned *Yocupicio*. That effort was led by Theodore J. Boutrous, who brought the cert petition, with amicus support from a brief authored by Andrew J.

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

Pincus.² Considering that leading Supreme Court practitioners from the class action defense bar were very motivated in undermining *Yocupicio* case, but failed, this demonstrates the national importance of the *Yocupicio* decision.

- j. On December 13, 2018, the United States District Court granted final approval of the \$2,500,000 class action settlement in *Mark Brulee, et al. v. DAL Global Services, LLC* (C.D. Cal. Dec. 13, 2018) No. CV 17-6433 JVS(JCGx), 2018 WL 6616659 in which I served as lead counsel. In doing so, the Court found: “Class Counsel’s declarations show that the attorneys are experienced and successful litigators.” (*Id.* at p. *10.)
- k. *Gasio v. Target Corp.* (C.D. Cal. Sep. 12, 2014) 2014 U.S. Dist. LEXIS 129852, a reported decision permitting class-wide discovery even though the employer has a lawful policy because “[t]he fact that a company has a policy of not violating the law does not mean that the employees follow it, which is the issue here.” The court also ordered defendant to pay for the cost of *Belaire-West* notice.
- l. In 2013, I represented a whistleblower that reported that his former employer was defrauding the State of California with the help of bribes to public employees. The case, a false claims (qui tam) action, resulted in the arrest and criminal prosecution of State of California employees by the California Attorney General’s Office.
- m. In 2013, I was part of a team of attorneys that obtained conditional certification for over 2,000,000 class members in a federal labor law case for misclassification of independent contractors that did crowdsourced work on the Internet, *Otey v. CrowdFlower, Inc.*, N.D. Cal. Case No. 12-cv-05524-JST (MEJ), resulting in the following pro-plaintiff reported decisions:
 - 1. 2013 U.S. Dist. LEXIS 151846 (N.D. Cal. Oct. 22, 2013) (holding that an unaccepted Rule 68 offer doesn’t moot plaintiff’s claims, and granting plaintiff’s motion to strike defendant’s affirmative defenses based on

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

Twombly/Iqbal).

2. 2013 U.S. Dist. LEXIS 122007 (N.D. Cal. Aug. 27, 2013) (order granting conditional collective certification).

3. 2013 U.S. Dist. LEXIS 95687 (N.D. Cal. July 8, 2013) (affirming the magistrate judge’s discovery ruling which held that “evidence of other sources of income is irrelevant to the question of whether a plaintiff is an employee within the meaning of the FLSA”).

4. 2013 U.S. Dist. LEXIS 91771 (N.D. Cal. June 20, 2013) (granting broad discovery because “an FLSA plaintiff is entitled to discovery from locations where he never worked if he can provide some evidence to indicate company-wide violations”).

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

35. My current contingent billing rate of \$1,500.00 per hour is consistent with my actual billing rate for paid legal industry consulting services, my practice area, lead appellate experience in the Ninth Circuit Court of Appeals, numerous awards received, legal market and accepted hourly rates:

o. I have been paid for legal industry consulting services at \$1,500 per hour by Gerson Lehrman Group (GLG), a company that provides financial information and advises investors and consultants with business clients seeking expert advice. GLG is one of the largest companies that provides expert consulting services. GLG’s clients include corporations, hedge funds, private equity firms, and consulting firms. I have worked with GLG on numerous occasions at a rate of \$1,500 per hour, including on three recent occasions in October and November of 2023.

- 1 p. On January 11, 2024, the Hon. Laurel Beeler of the United States District Court,
2 Northern District of California approved my \$1,500 hourly rate when she
3 granted final approval of the class action settlement in *Suarez v. Bank of*
4 *America, N.A.* (N.D. Cal. Jan. 11, 2024), No. 18-cv-01202-LB, 2024
5 WL150721, *3 (“As for the lodestar cross-check, the billing rates are normal
6 and customary for timekeepers with similar qualifications and experience in the
7 relevant market.”)
- 8 q. My \$1,500 hourly rate was approved by many California state courts:
- 9 1. On December 8, 2023, the Hon. Marcella O. McLaughlin of the San
10 Diego County Superior Court approved my \$1,500 hourly rate
11 when she granted final approval of the class action settlement in
12 *Payabyab v. Bridge Hospice, LLC*, Case No. 7-2021-00046218-CU-
13 OE-CTL.
 - 14 2. On January 11, 2024, the Hon. Harold Hopp of the Riverside
15 County Superior Court approved my \$1,500 hourly rate when he
16 granted final approval of the class action settlement in *Gutierrez v.*
17 *Next Level Door & Millwork, Inc.*, Case No. CVRI2105455.
 - 18 3. On January 19, 2024, the Hon. Lauri A. Damrell of the Sacramento
19 County Superior Court approved my \$1,500 hourly rate when she
20 granted final approval of the class action settlement in *Sunshine*
21 *Retirement Wage and Hour Cases*, Case No. JCCP 5247.
 - 22 4. On January 26, 2024, the Hon. Loren G. Freestone of the San Diego
23 Superior Court approved my \$1,500 hourly rate when he granted
24 final approval of the class action settlement in *Lupercio v. Western*
25 *CNC, Inc.*, Case No. 37-2021-00010314-CU-OE-CTL.
 - 26 5. On February 1, 2024, the Hon. Joseph T. Ortiz of the San
27 Bernardino Court approved by \$1,500 hourly rate when he granted
28 final approval of the class action settlement in *Jackson, et al. v.*

Apple Valley Communications, Inc., et al., Case No.
CIVSB2124721.

6. On February 2, 2024, the Hon. Harold Hopp of the Riverside
County Superior Court approved by \$1,500 hourly rate when he
granted final approval of the class action settlement in *Barrera v.*
Paradise Chevrolet Cadillac, Case No. CVSW2107199.

- r. On May 6, 2022, the Hon. Jay A. Garcia-Gregory of the United States District
Court in Puerto Rico approved my \$850 hourly rate when he granted final
approval of the class action settlement in *Serrano v. Inmediata Corp.*, No. 3:19-
cv-01811-JAG, Dkt. 57 (U.S. Dist. Ct. P.R. May 6, 2022).
- s. On September 9, 2021, the Hon. Peter Wilson of the Orange County Superior Court
approved my \$800 hourly rate when he granted final approval of the class action
settlement in *Ricardo Campos Hernandez v. Adams Iron Co., Inc.*, No. 30-2019-
01066522-CU-OE-CXC.
- t. On August 6, 2021, the Hon. Stanley Blumenfeld, Jr. of the United States District
Court granted final approval of the \$1,600,000 class action settlement in *Carlos*
Moreno v. Pretium Packaging, Inc. (C.D. Cal. Aug. 6, 2021) No. 8:19-cv-02500-
SB-DFM, 2021 WL 3673845 in which I served as lead counsel. In doing so, the
Court approved my then \$750 hourly rate after finding it was “reasonable, given the
qualifications of the attorneys who worked on this matter.” (*Id.* at p. *3.)
- u. On January 19, 2021, the Hon. Elihu M. Berle of the Los Angeles County Superior
Court approved my \$750 hourly rate when he granted final approval of the class
action settlement in *Faye Zhang v. Richemont North America, Inc.*, Case No.
19STCV32396.

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

- v. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the
real market rates of Los Angeles area attorneys who practice litigation. For that

category, the third quartile 2022 rate was \$1,045 per hour for partners and \$855 for associates. Likewise, page 32 of the Report describes the rates charged by 183 Los Angeles partners with “21 or more years of experience” and “Fewer than 21 years.” For those categories, the third quartile Los Angeles partner rate in 2022 were \$1,133 per hour for 21 or more years and \$1,075 for attorneys with fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate Report is attached hereto as **Exhibit D.**

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

37. Benjamin H. Haber is a seventh-year Associate Attorney at Wilshire Law Firm. His current hourly rate for this case is \$750. He graduated from the University of California, Los Angeles, with a Bachelor of Arts in Political Science, and received his Juris Doctor from the University of California, Hastings College of the Law in 2016. During law school, he was a member of the executive board for the *Hastings Law Journal* and student mediator at the San Francisco Superior Court, Small Claims Division. He was admitted to practice law in the State of California in 2017. Since graduating from law school, he has focused his legal work primarily on wage-and-hour litigation and has helped obtain dozens of settlements on behalf of tens of thousands of workers in California. He was also selected as a “Southern California Rising Star” in 2024.

38. Maxim Gorbunov is a third-year Associate Attorney at Wilshire Law Firm, PLC. He was admitted to practice law in the State of California in 2021, the Northern and Central District of California in 2022, and the Southern and Eastern Districts of California in 2023. He graduated from the University of California, Irvine, with a Bachelor of Arts in Cognitive Science, completing the Psychology Honors Program. He received his Juris Doctor from the University of California, Hastings College of Law in 2021. During law school, he was a Board Member, competitor, and

1 student coach of the Hastings Moot Court Team, being awarded the Student Coach of the Year
2 award. Since November 2021, his practice has mainly been focused on employment and wage and
3 hour class actions. His current contingent billing rate for this case is \$575 per hour.

4 39. Bradford Smith is a Law and Motion Attorney at Wilshire Law Firm. He graduated
5 from the University of California, Irvine with a Bachelor of Arts in History and received his Juris
6 Doctor from Loyola Law School, Los Angeles in 2022. He was admitted to practice law in the
7 State of California in 2022. Before joining Wilshire Law Firm, he worked at a law firm
8 specializing in insurance defense litigation. His focus now is on wage and hour class action
9 litigation. His current contingent billing rate for this case is \$525 per hour.

10 40. Plaintiff's Counsel elected to bear the contingency risk of this litigation for the
11 benefit of the aggrieved employees, as well as for the State of California (who elected not to take
12 the case after receiving the PAGA notice).

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

20 42. In the high-risk, high-cost practice of class action and PAGA litigation, Wilshire
21 Law Firm, PLC has endured financial losses in several of its cases. I believe that the particular
22 risk of taking on this high-cost, high-risk case supports an upward adjustment of the lodestar
23 calculation.

24 43. Because most individuals cannot afford to pay for representation in litigation on an
25 hourly basis, Wilshire Law Firm, PLC represents all of its employment law clients on a
26 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
27 we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm, PLC is
28 taking the risk that we will not be reimbursed for our time unless our client settles or wins his or

her case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, we receive less than the amount of attorneys' fees negotiated with defendant. It is therefore essential that we recover our requested fees when we settle cases if we are to remain in practice so as to be able to continue representing other individuals in civil rights employment disputes.

44. I am informed and believe that the efforts of my office have resulted in substantial benefits to the aggrieved employees and the State of California. Through the efforts of my office and Plaintiff in this case, a fair and reasonable resolution has been reached. I am informed and believe that, without the efforts of my office, the Labor Code and Wage Order violations alleged in the complaint would have gone completely unremedied. The attorneys' fees award provided for in the settlement is therefore reasonable given the result achieved.

45. The Parties propose using Phoenix Settlement Administrators to administer the Settlement. The Settlement Administrator Costs in the amount of \$9,750.00 are reasonable, given the tasks to be performed by the Settlement Administrator, including, but not limited to, the following duties: mailing and re-mailing (if necessary) checks to approximately 452 PAGA Employees and the LWDA; establishing a Qualified Settlement Fund; preparing and submitting to PAGA Employees and government entities all appropriate tax filings and forms; distributing the PAGA Representative Service Payment and attorneys' fees and costs; keeping the Parties timely apprised of the performance of all obligations under the Agreement; and voiding uncashed or undeliverable checks to issue those funds to the California Controller's Unclaimed Property Fund. Plaintiff respectfully requests that the Court approve the requested costs. A true and correct copy of Phoenix Settlement Administrator's estimate for administration costs is attached to this Declaration as **Exhibit F**.

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

Executed on May 30, 2024, at Los Angeles, California.

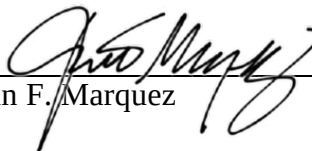

Justin F. Marquez

Exhibit A

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Richard Cabanas (“Plaintiff”) and Defendants Fairway Staffing Services (“Fairway Staffing”) and F.R.T. International, Inc. DBA Frontier Logistics Services (“Frontier” individually, and with co-Defendant Fairway Staffing, “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA representative action lawsuit alleging wage and hour violations against Defendants captioned *Richard Cabanas v. Fairway Staffing Services, et al.* initiated on March 16, 2022 and pending in Superior Court of the State of California, County of Los Angeles, Case Number: 22STCV09374.
- 1.2. “Administrator” means Phoenix Settlement Administrators, 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 who were placed by Fairway Staffing to work at Frontier, in the state of California, and worked at any time from March 16, 2021 through the date of approval of the PAGA Settlement.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendants’ possession including the Aggrieved Employee’s name, last-known telephone number, last-known mailing address, Social Security number, and the number of PAGA Pay Periods worked by the Aggrieved Employee.
- 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 Los Angeles.
- 1.8. “Defense Counsel” means Craig D. Nickerson and William G. Anderson of Buchalter, APC for Defendant Fairway Staffing Services and Terry S. Park of Jeon & Park, LLP and Frank E. Marchetti of Marchetti Law for Defendant F.R.T. International, Inc. DBA Frontier Logistics Services.

- 1.9. "Effective Date" means the date of Plaintiff's service to Defendants of Notice of the Court's Entry of the Order and Judgment approving the PAGA Settlement. The Effective Date shall be conditioned upon all of the following occurring: (a) this Agreement having been signed by the Parties, PAGA Counsel, and Defendants' counsel; (b) the Court having entered the Order and Judgment; and (c) Plaintiff's service to Defendants of Notice of the Court's Entry of the Order and Judgment approving the PAGA Settlement.
- 1.10. "Gross Settlement Amount" means \$100,000.00 which is the total amount Defendants agree 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, Enhancement Award to Plaintiff, and the Administrator's Expenses Payment. Fairway Staffing shall pay \$67,500 of the Gross Settlement Amount and Frontier shall pay \$32,500 of the Gross Settlement Amount.
- 1.11. "Individual PAGA Payment" means each 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 following the Court's Approval of the PAGA Representative Action Settlement.
- 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: the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Enhancement Award to Plaintiff, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16. "PAGA Counsel" means Justin F. Marquez, Benjamin H. Haber, and Maxim Gorbunov of Wilshire Law Firm, PLC, the attorneys representing the Plaintiff in the Action.

- 1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.19. “PAGA Period” means the period from March 16, 2021 through the date of this Court’s approval of the PAGA Settlement.
- 1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. Et seq.).
- 1.21. “PAGA Notice” means Plaintiff’s March 16, 2022 letter to Defendants 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 and the 75% to LWDA in settlement of PAGA claims.
- 1.23. “Plaintiff” means Richard Cabanas, 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 as described in Paragraph 5 below.
- 1.26. “Released Parties” means: Defendants and each of their 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 corresponding Court Approval of the PAGA Representative Action Settlement and Judgment.

- 1.28. “Defendants” means named Defendants F.R.T. International, Inc. DBA Frontier Logistics Services and Fairway Staffing Services.
- 1.29. “Enhancement Award” means the payment to Plaintiff for initiating the Action and providing services in support of the Action.

2. RECITALS.

- 2.1. On March 16, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for: Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7 and 512); (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code § 226.7); (5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); and (7) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*). On May 24, 2022, Plaintiff filed a First Amended Complaint adding a cause of action against Defendants for civil penalties under PAGA (Cal. Lab. Code §§ 2699, *et seq.*). On September 8, 2022, the Court dismissed Plaintiff’s class claims. On October 16, 2023, Plaintiff dismissed his individual non-PAGA claims. The remaining PAGA claim alleged in the First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”)]. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and deny 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 Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On March 14, 2024, the Parties participated in an all-day mediation presided over by David Phillips which led to this Agreement to settle the Action.
- 2.4. Prior to mediation and Settlement, Plaintiff obtained, through informal discovery, a sampling of time and pay records for the Aggrieved Employees, as well as documents that described Defendants policies and practices during the PAGA period.
- 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendants promise to pay \$100,000.00 and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline

stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants. Fairway shall pay \$67,500 of the Gross Settlement Amount and Frontier shall pay \$32,500 of the Gross Settlement Amount.

- 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 PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33 and 1/3% which is currently estimated to be \$33,333.33 and PAGA Counsel Litigation Expenses Payment of not more than \$20,000. Defendants 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 Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$9,750.00 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 \$9,750.00 , the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.3. Enhancement Award to Plaintiff: Defendants will not oppose a request by Plaintiff for an Enhancement Award of up to \$7,500, to be deducted from the Gross Settlement Amount, in exchange for his services as the PAGA Representative. This Enhancement Award is in addition to the payment to which he is entitled as an Aggrieved Employee. Even in the event that the Court reduced or does not approve the requested Plaintiff's Enhancement Award, Plaintiff shall not have the right to revoke this Settlement Agreement, and it will remain binding
- 3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount currently estimated to be \$29,416.67 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

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

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

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Aggrieved Employee Pay Periods. Based on a review of its records at mediation, Defendants estimated there were 452 Aggrieved Employees who worked a total of 5,591 PAGA Pay Periods between March 16, 2021 and March 14, 2024.
- 4.2. Aggrieved Employee Data. Within 30 days of the Effective Date, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved Employees' 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. Defendants have 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 Defendants 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. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants fund 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, and the Enhancement Award to Plaintiff. 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 California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendants 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 Defendants fully fund 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: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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:

Plaintiff and each Aggrieved Employee releases Defendants and any parent, subsidiary, affiliate, predecessor or successor, and all agents, employees, officers, directors and attorneys thereof (collectively the "Released Parties"), from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action contingent or accrued for, during the time period from March 16, 2021, through the date of approval of the PAGA Settlement, arising out of the PAGA claim asserted in the operative complaint and the LWDA letter based upon the following: 1) failure to provide meal periods; 2) failure to provide rest periods; 3) failure to pay overtime wages; 4) failure to pay minimum wages; 5) failure to pay final wages at termination; and 7) failure to provide accurate itemized wage statements. This release shall include a release for PAGA claims under California Labor Code Sections 201-203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, and 1198.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree that Plaintiff will file an (unopposed) application or motion for approval of this PAGA Representative Action Settlement.

6.1. Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this PAGA Representative Action 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 Notice of the Court's PAGA Representative Action Settlement Approval Order to the Administrator.

6.2. 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 PAGA Representative Action 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 selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators 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.

AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

8. Based on their records at mediation, Defendants estimated that there were 452 Aggrieved Employees who worked 5,591 Pay Periods from March 16, 2021 through March 14, 2024. In the event that the actual number of Pay Periods worked by all Aggrieved Employees during the time period of March 16, 2021 through March 14, 2024 increases by more than 10%, or 560, then Defendants shall increase the Gross Settlement Fund on a proportional basis in excess of ten percent (i.e., if there were an eleven percent (11%) increase in the number of Pay Periods, then Defendants will increase the Gross Settlement Fund by one percent (1%)). The increase in the Gross Settlement Fund will be proportionate to the allocations between each Defendant.

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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' 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, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' 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 Defendants, 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, Defendants 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 Defendants 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 Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants make 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:

Justin F. Marquez (justin@wilshirelawfirm.com)
Benjamin H. Haber (benjamin@wilshirelawfirm.com)
Maxim Gorbunov (mgorbunov@wilshirelawfirm.com)
Wilshire Law Firm, PLC
3055 Wilshire Boulevard, 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant F.R.T. International, Inc. DBA Frontier Logistics Services:

Terry S. Park (tpark@jeonparklaw.com)
Jeon & Park, LLP
3731 Wilshire Boulevard, Suite 635
Los Angeles, California 90010
Telephone: (213) 514-5696
Facsimile: (213) 514-5699

Frank E. Marchetti (frank@marchettilaw.com)
Marchetti Law
3731 Wilshire Boulevard, Suite 635
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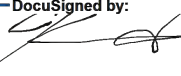
To Defendant Fairway Staffing Services:

Craig D. Nickerson (cnickerson@buchalter.com)
William G. Anderson (wanderson@buchalter.com)
Buchalter, APC
655 West Broadway, Suite 1600
San Diego, California 92101
Telephone: (213) 576-5092
Facsimile: (213) 680-4470

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: 5/28/2024

DocuSigned by:

203D4903651545F...

Richard Cabanas
Plaintiff

Dated: 5/28/2024


WILSHIRE LAW FIRM

Justin Marquez, Esq.
Benjamin Haber, Esq.
Maxim Gorbunov, Esq.

Counsel for Plaintiff and the Putative
Class/Aggrieved Parties

Dated: _____

Jeff J. Woo
Defendant F.R.T. International, Inc.
dba Frontier Logistics Services

Dated: _____

BUCHALTER, APC.
Craig D. Nickerson
William G. Anderson

Counsel for Defendant Fairway
Staffing Services

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Dated: _____

Richard Cabanas
Plaintiff

Dated: _____

WILSHIRE LAW FIRM
Justin Marquez, Esq.
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Counsel for Plaintiff and the Putative
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Dated: _____

Jeff J. Woo
Defendant F.R.T. International, Inc.
dba Frontier Logistics Services

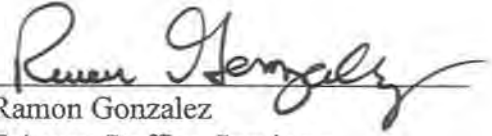
Dated: May 29, 2024



BUCHALTER, APC.
Craig D. Nickerson
William G. Anderson

Counsel for Defendant Fairway
Staffing Services

Dated: 05/29/2024


Ramon Gonzalez
Fairway Staffing Services

Dated: _____

MARCHETTI LAW
Frank E. Marchetti

JEON & PARK, LLP
Terry S. Park

Counsel for Defendant F.R.T.
International, Inc. dba Frontier
Logistics Services

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Dated: _____

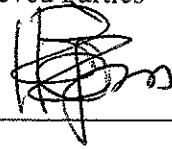
Richard Cabanas
Plaintiff

Dated: _____

WILSHIRE LAW FIRM
Justin Marquez, Esq.
Benjamin Haber, Esq.
Maxim Gorbunov, Esq.

Counsel for Plaintiff and the Putative
Class/Aggrieved Parties

Dated: 5/29/2024



Jeff J. Woo
Defendant F.R.T. International, Inc.
dba Frontier Logistics Services

Dated: _____

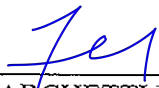
BUCHALTER, APC.
Craig D. Nickerson
William G. Anderson

Counsel for Defendant Fairway
Staffing Services

Dated: _____

Ramon Gonzalez
Fairway Staffing Services

Dated: May 30, 2024



MARCHETTI LAW
Frank E. Marchetti

JEON & PARK, LLP
Terry S. Park

Counsel for Defendant F.R.T.
International, Inc. dba Frontier
Logistics Services

Exhibit B

NOTICE OF SETTLEMENT OF PAGA REPRESENTATIVE ACTION

Cabanas v. F.R.T International, Inc dba Frontier Logistics Services, et al.
Superior Court for the State of California, County of Los Angeles Case No. 22STCV09374

Aggrieved Employee

Employee Address

You are receiving this notice in connection with a Court-approved settlement (the “Settlement”) in the lawsuit entitled *Cabanas v. F.R.T International, Inc dba Frontier Logistics Services, et al.*, filed in the Los Angeles County Superior Court for the State of California, Case No. 22STCV09374 (the “Action”), brought on a representative basis under the Labor Code Private Attorneys General Act of 2004, codified as California Labor Code section 2698, *et seq.* (“PAGA”). The Plaintiff in the lawsuit is Richard Cabanas (“Plaintiff”) and the Defendants are F.R.T International, Inc. dba Frontier Logistics Services (“Frontier”) and Fairway Staffing Services (“Fairway Staffing,” collectively, “Defendants”). The Settlement provides for recovery of civil penalties for alleged violations of the California Labor Code on behalf of all non-exempt employees who were placed by Fairway Staffing to work at Frontier, in the State of California, and worked at any time from March 16, 2021 to [approval date] (the “PAGA Period”) (the “Aggrieved Employees”). The PAGA statute provides that 75% of any recovery pursuant to the Settlement be paid to the State of California and 25% of any recovery be paid to the “aggrieved employee” group, which in this case is the group of Aggrieved Employees.

Defendants deny all claims and allegations in the Action, denies that they owe any penalties, and asserts that they have fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendants have settled the Action. By settling the lawsuit, Defendants are not admitting that they have done anything wrong.

As a material part of this Agreement, upon the Effective Date and Defendants’ payment of the Gross Settlement Amount, Plaintiff and each Aggrieved Employee releases Defendants and any parent, subsidiary, affiliate, predecessor or successor, and all agents, employees, officers, directors and attorneys thereof (collectively the “Released Parties”), from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, action or causes of action contingent or accrued for, during the time period from March 16, 2021, through the date of approval of the PAGA Settlement, arising out of the PAGA claim asserted in the operative complaint and the LWDA letter based upon the following: 1) failure to provide meal periods; 2) failure to provide rest periods; 3) failure to pay overtime wages; 4) failure to pay minimum wages; 5) failure to pay final wages at termination; and 7) failure to provide accurate itemized wage statements. This release shall include a release for PAGA claims under California Labor Code Sections 201-203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, and 1198 (“PAGA Released Claims”).

By an Order dated XXXX, the Superior Court of California approved the Settlement. By approving the Settlement, the Court did not decide in favor of either Plaintiff or Defendants.

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

Please Note: One hundred percent (100%) of the payment you are receiving in connection with the Settlement will be considered penalties reported on IRS Form 1099, and may be subject to local, state, or federal

tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your settlement payment. Neither Plaintiff nor Defendants have made any representations or warranties regarding the taxation of your settlement payment. Nothing in this Notice or any other communication shall constitute or be construed or relied upon as tax advice.

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

PHOENIX SETTLEMENT ADMINISTRATORS

[ADDRESS]

[ADDRESS]

[ADDRESS]

Exhibit C

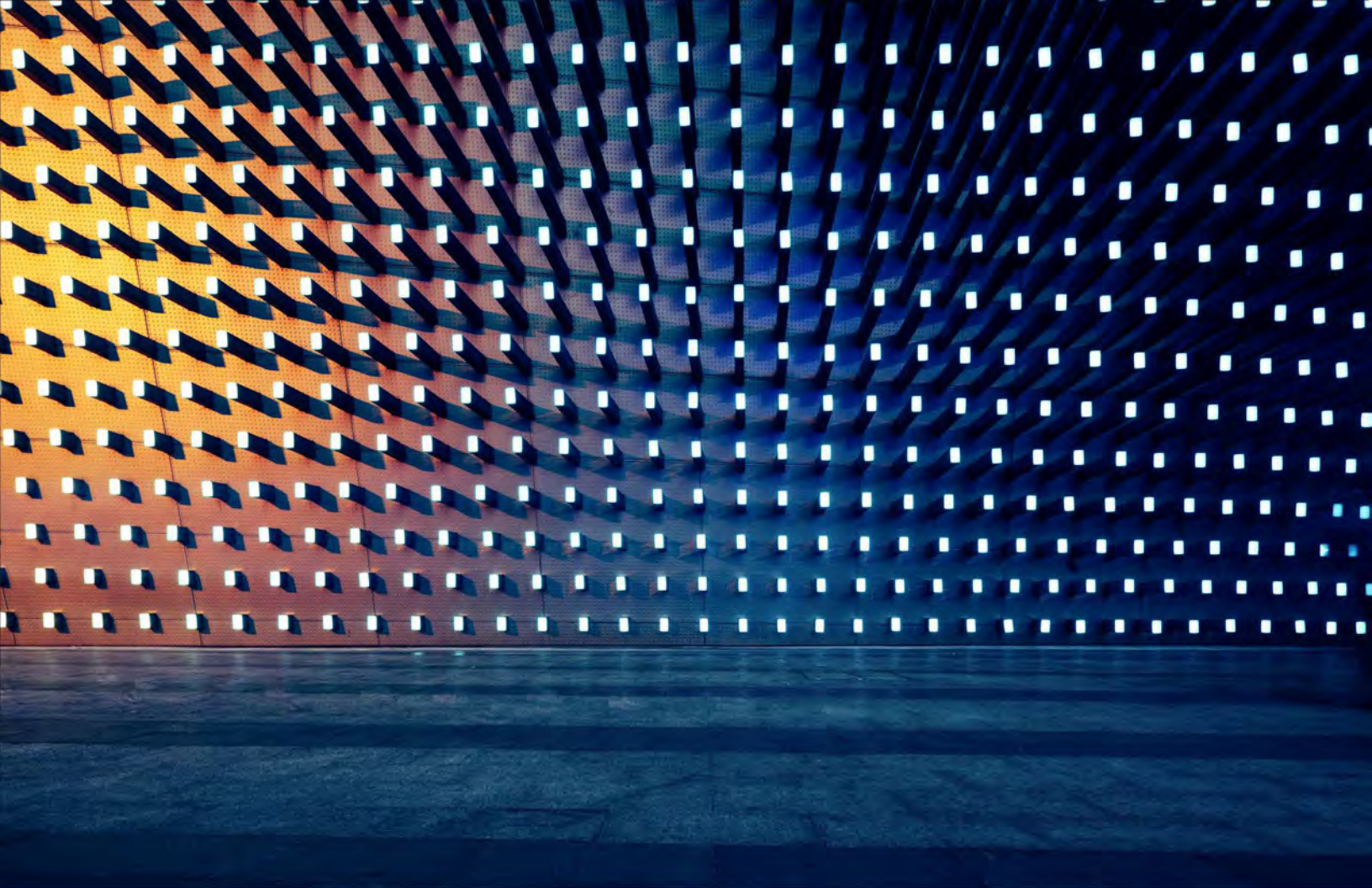
Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

5/29/2024
Accrual Basis

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
COS					
Mediation Fees					
	12/15/2023	55436	Mediation Fee	7,450.00	7,450.00
Total MEDIATION FEES				7,450.00	7,450.00
Expert Fees					
	3/28/2024	11179	Expert Fees	3,950.00	3,950.00
Total EXPERT FEES				3,950.00	3,950.00
Legal Expenses					
	3/17/2022		PAGA Fee	75.00	75.00
	4/6/2022	846130079	Legal Research	48.19	48.19
	5/27/2022		Document Retrieval	1.00	1.00
	7/25/2022		Document Retrieval	2.00	2.00
	8/8/2022	260391	Case Anywhere	137.40	137.40
	8/11/2022	846791965	Legal Research	580.95	580.95
	8/11/2022	846791965	Legal Research	278.90	278.90
	11/10/2022	269046	Case Anywhere	63.00	63.00
	2/10/2023	277606	Case Anywhere	18.00	18.00
	5/10/2023	286485	Case Anywhere	159.00	159.00
	8/8/2023	295566	Case Anywhere	141.00	141.00
	11/1/2023		Document Retrieval	5.00	5.00
	11/6/2023	305241	Case Anywhere	183.00	183.00
	2/9/2024	315091	Case Anywhere	159.00	159.00
	3/8/2024	INV104572-01-01	Investigation Services	2,210.00	2,210.00
	5/8/2024	325297	Case Anywhere	141.00	141.00
Total LEGAL EXPENSES				4,202.44	4,202.44
Process Service Fees					
	3/17/2022		Attorney Services	1,494.53	1,494.53
	3/28/2022	46102	Attorney Services	157.00	157.00
	3/28/2022	46103	Attorney Services	157.00	157.00
	3/29/2022	46205	Attorney Services	45.00	45.00
	3/29/2022	46210	Attorney Services	45.00	45.00
	4/11/2022	46374	Attorney Services	85.00	85.00
	5/18/2022		Attorney Services	18.22	18.22
	5/18/2022		Attorney Services	172.65	172.65
	5/25/2022		Attorney Services	18.22	18.22
	5/27/2022		Attorney Services	18.22	18.22
	5/31/2022		Attorney Services	18.22	18.22
	7/14/2022	49173	Attorney Services	175.00	175.00
	7/15/2022		Attorney Services	18.22	18.22
	9/2/2022		Attorney Services	18.22	18.22
	12/2/2022		Attorney Services	38.81	38.81
	12/14/2022		Attorney Services	18.22	18.22
	1/30/2023		Attorney Services	39.28	39.28
	2/16/2023		Attorney Services	18.69	18.69
	3/1/2023		Attorney Services	39.28	39.28
	3/9/2023		Attorney Services	18.69	18.69
	4/28/2023		Attorney Services	39.28	39.28
	5/10/2023		Attorney Services	18.69	18.69
	8/22/2023		Attorney Services	18.69	18.69
	9/11/2023		Attorney Services	18.69	18.69
	10/17/2023		Attorney Services	18.69	18.69
	10/17/2023		Attorney Services	14.36	14.36
	10/17/2023		Attorney Services	18.69	18.69
	11/1/2023		Attorney Services	18.69	18.69
	11/22/2023		Attorney Services	18.69	18.69
	12/19/2023		Attorney Services	18.69	18.69
	1/2/2024		Attorney Services	39.28	39.28
	2/1/2024		Attorney Services	19.71	19.71
	3/20/2024		Attorney Services	19.71	19.71
	1/30/2024	22124095(2)	Attorney Services	1.00	1.00
	3/20/2024	22497126(2)	Attorney Services	1.00	1.00
Total PROCESS SERVICE FEES				2,897.33	2,897.33
Other Costs					

	2/17/2021		Case Administration Fee for In-House Services	500.00	500.00
	5/11/2021	E-500278	Postage Cost	5.86	5.86
	5/11/2021	E-500279	Postage Cost	5.86	5.86
	6/17/2021	E-519372	Postage Cost	5.86	5.86
	6/17/2021	E-519395	Postage Cost	5.86	5.86
	2/14/2022	E-814148	Postage Cost	6.33	6.33
	2/14/2022	E-814149	Postage Cost	6.33	6.33
	9/6/2023	E-3165787	Printing Cost	1.89	1.89
	11/6/2023	E-3156618	Postage Cost	0.63	0.63
	1/22/2024	8-382-27294	FedEx	53.21	53.21
	2/5/2024	8-396-49822	FedEx	54.79	54.79
	3/14/2024	E-3195228	Printing Cost	1.89	1.89
Total OTHER COSTS				648.51	648.51
TOTAL				19,148.28	19,148.28

Exhibit D



ELM Solutions

2022 Real Rate Report[®]

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

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Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors¹ that drive rates²:

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

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

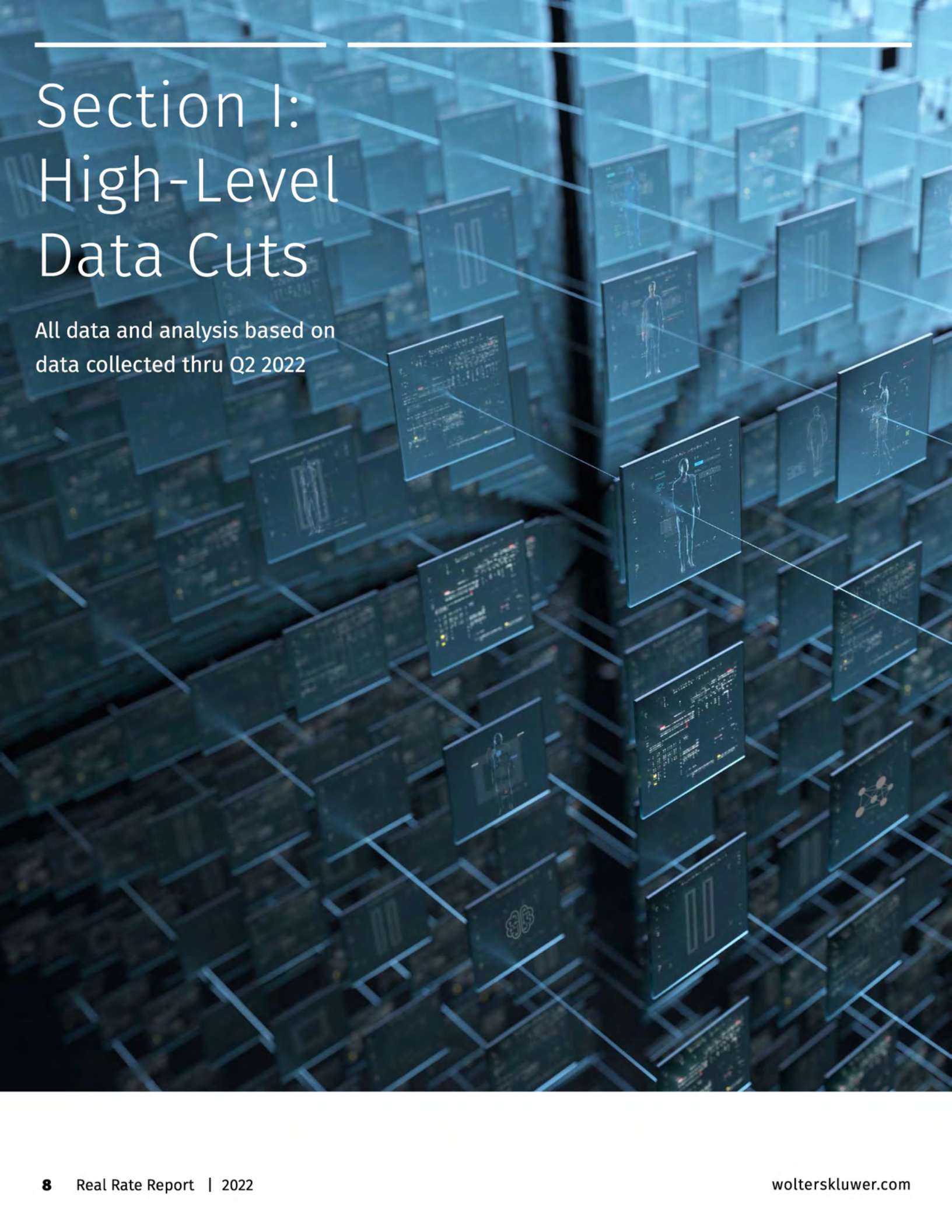
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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

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

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

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

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

The background is a dark blue, abstract digital space. It features a grid of glowing white lines that create a sense of depth and connectivity. Scattered throughout this space are numerous small, rectangular cards or screens. Each card displays different types of data visualizations, including bar charts, line graphs, human silhouettes with internal data points, and text-based data tables. The cards appear to be floating or attached to the grid lines, giving the impression of a complex, interconnected data network.

Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

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

The background is a dark blue, abstract digital space. It features a grid of glowing lines that intersect to form a 3D perspective. Floating within this grid are numerous rectangular cards, each displaying different types of data visualizations. Some cards show human silhouettes with internal anatomical diagrams, others show bar charts, line graphs, and tables of data. The cards are arranged in a way that suggests a complex, interconnected network of information.

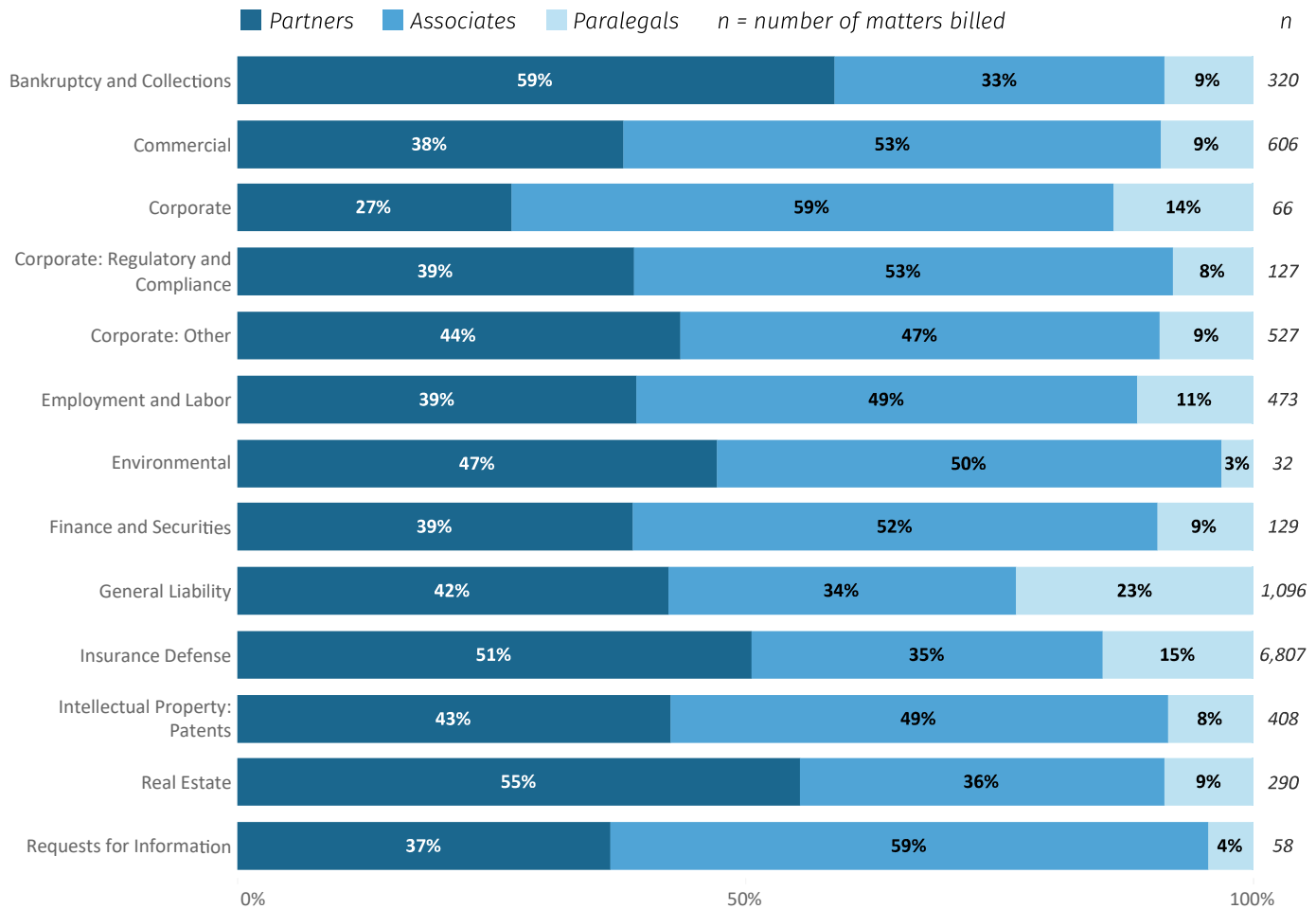
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate¹

Antitrust and Competition
Corporate Development
General/Other
Governance
Information and Technology
Mergers, Acquisitions, and Divestitures

Partnerships and Joint Ventures
Regulatory and Compliance
Tax
Treasury
White Collar/Fraud/Abuse

Employment and Labor

ADA
Agreements
Compensation and Benefits
Discrimination, Retaliation, and Harassment/EEO
Employee Dishonesty/Misconduct
ERISA

General/Other
Immigration
Union Relations and Negotiations/NLRB
Wages, Tips, and Overtime
Wrongful Termination

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

Commercial Loans and Financing
Debt/Equity Offerings
Fiduciary Services
General/Other

Investments and Other Financial Instruments
Loans and Financing
SEC Filings and Financial Reporting
Securities and Banking Regulations

General Liability

Asbestos/Mesothelioma
Auto and Transportation
Consumer Related Claims
Crime, Dishonesty and Fraud
General/Other

Personal Injury/Wrongful Death
Premises
Product and Product Liability
Property Damage
Toxic Tort

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

Exhibit E

Business & Practice

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

By Roy Strom

Column

June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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



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

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

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

Documents

[Trustee's Objection](#)

Related Articles

[Overworked Big Law Can't Find Enough Lawyers With Demand Surging](#) Dec. 9, 2021, 3:00 AM

[Never Underestimate Big Law's Ability to Raise Billing Rates](#) Aug. 12, 2021, 3:00 AM

Law Firms

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

Topics

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

Companies

Johnson & Johnson
Thomson Reuters Corp

Exhibit F



CASE ASSUMPTIONS

Class Members	500
Opt Out Rate	1%
Opt Outs Received	5
Total Class Claimants	495
Subtotal Admin Only	\$9,750.00

Not-to-Exceed Total \$9,750.00

For 500 Members

Pricing Good for Scope of Estimate Only

April 24, 2024

Case: Cabanas v. FRT International Opt-Out Administration wLanguage

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Justin Marquez

Firm: Wilshire Law Firm, PLC

Contact Number: (213) 381-9988, Ext. 345

Email: justin@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on 500 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$154.50	1	\$154.50
Call Center & Long Distance	\$2.00	16	\$32.00
NCOA (USPS)	\$200.00	2	\$400.00
Total			\$1,086.50

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Spanish Translation / Reporting

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	2	\$250.00
Data Merge & Duplication Scrub	\$0.50	500	\$250.00
Notice Packet & Opt-Out Form	\$1.25	500	\$625.00
Estimated Postage (up to 2 oz.)*	\$0.87	500	\$435.00
Static Website	\$200.00	1	\$200.00
Language Translation	\$1,250.00	1	\$1,250.00
Total			\$3,010.00

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$1.25	50	\$62.50
Remail Notice Packets	\$1.25	50	\$62.50
Estimated Postage	\$0.87	50	\$43.50
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$328.50

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	2	\$270.00
Non Opt-Out Processing	\$100.00	1	\$100.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	13	\$125.00
Case Manager	\$85.00	2	\$170.00
Total			\$775.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$95.00	2	\$190.00
QSF Bank Account & EIN	\$100.00	2	\$200.00
Check Run Setup & Printing	\$125.00	3	\$375.00
Mail Class Checks *	\$1.00	500	\$500.00
Estimated Postage	\$0.64	500	\$320.00
Total			\$2,085.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	3	\$375.00
Remail Undeliverable Checks (Postage Included)	\$1.50	100	\$150.00
Case Associate	\$55.00	4	\$220.00
Reconcile Uncashed Checks	\$75.00	2	\$150.00
Conclusion Reports	\$75.00	2	\$150.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,000.00	1	\$1,000.00
Total			\$2,465.00
* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.			
Estimate Total:			\$9,750.00



TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

PROOF OF SERVICE

Cabanas v. F. R. T. International, Inc. dba Frontier Logistics Services, et al.
22STCV09374

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

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

On **May 30, 2024**, I served the foregoing **DECLARATION OF JUSTIN F. MARQUEZ IN SUPPORT OF PLAINTIFF'S MOTION TO APPROVE PAGA SETTLEMENT**, on the interested parties by placing a true copy thereof, enclosed in a sealed envelope by following one of the methods of service as follows:

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Attorneys for Defendant
F. R. T. INTERNATIONAL, INC. DBA
FRONTIER LOGISTICS SERVICES

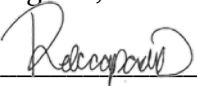
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Attorneys for Defendant
FAIRWAY STAFFING SERVICES

(X) **BY ELECTRONIC SERVICE:** Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be sent to the persons at the electronic service addresses listed above via third-party cloud service **CASEANYWHERE.**

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

Executed on **May 30, 2024** at Los Angeles, California.



Rebecca Padilla