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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

CAPRICE JUSTICE WILLIAMS, individually,
and on behalf of all others similarly situated,
the State of California, and other aggrieved
persons,

Plaintiff,

v.

TOTAL LONGTERM CARE, INC., a
corporation; INNOVAGE CALIFORNIA
PACE-INLAND EMPIRE, LLC, a limited
liability company, and DOES 1 through 10,

Defendants

Case No. CIVSB2213347

CLASS ACTION

*[Assigned for all purposes to Hon. Jessica
Morgan, Dept. S-26]*

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

FINAL APPROVAL HEARING

Date: April 2, 2024
Time: 8:30 a.m.
Dept.: S-26

Complaint filed: June 10, 2022
FAC filed: November 8, 2023
Trial date: Not set

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 Caprice Justice Williams (“Plaintiff”). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiff’s Motion for Final Approval of Class Action Settlement.

CASE BACKGROUND

2. This is a wage and hour class action and PAGA representative action. Plaintiff and putative Class Members worked in California as hourly-paid or non-exempt employees for Defendant Total Longterm Care, Inc. (“Defendant” and collectively with Plaintiff, the “Parties”) during the Class Period. Defendant offers all-inclusive healthcare services to seniors throughout the United States, including California.

3. Plaintiff alleges that Defendant's payroll, timekeeping, and wage and hour practices resulted in Labor Code violations. Plaintiff alleges that Defendant failed to provide employees with legally compliant meal and rest periods, and Defendant failed to reimburse business expenses. Based on these allegations, Plaintiff asserts related claims for failure to provide accurate wage statements, failure to pay all final wages at termination, unfair business practices, and civil penalties under PAGA.

4. On March 30, 2022, Plaintiff filed a separate putative wage-and-hour class action in San Bernardino Superior Court, Case No. CIVSB2206499 (removed on July 8, 2022 to the District Court for the Central District of California, Case No. 5:22-cv-011800-SSS-SP) against Defendant for: (1) failure to pay minimum and straight time wages (Labor Code §§ 204, 1194, 1194.2, and 1197); (2) failure to pay overtime wages (Labor Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (Labor Code §§ 226.7); (5) failure to timely pay final wages at termination (Labor Code

§§ 201-203); (6) failure to provide accurate itemized wage statements (Labor Code § 226); (7) failure to indemnify employees for expenditures (Labor Code § 2802); and (8) unfair business practices (Business and Professions Code § 17200 *et seq.*). On June 23, 2022, Plaintiff filed this action against Defendant alleging claims for civil penalties under Private Attorneys General Act (“PAGA”) (Labor Code §§ 2698, *et seq.*) based on similar claims. Plaintiff sent a notice to Defendant and the California Labor & Workforce Development Agency (“LWDA”) alleging similar wage and hour violations pursuant to the PAGA (Labor Code §§ 2699, *et seq.*) on April 11, 2022. On November 8, 2023, Plaintiff filed a First Amended Class and Representative Complaint adding her class claims to this action for purposes of settlement approval.

DISCOVERY, INVESTIGATION, AND SETTLEMENT

5. Following the filing of the Complaint, the parties exchanged documents and information before mediating this action. Defendant produced a sample of time and pay records for Class Members. Defendant also provided documents of its wage and hour policies and practices during the Class Period, and information regarding the total number of current and former employees in its informal discovery responses.

6. After reviewing documents regarding Defendant’s wage and hour policies and practices, analyzing Defendant’s timekeeping and payroll records, and interviewing Class Members, Class Counsel was able to evaluate the probability of class certification, success on the merits, and Defendant’s maximum monetary exposure for all claims. Class Counsel also investigated the applicable law regarding the claims and defenses asserted in the litigation. Class Counsel reviewed these records and prepared a damage analysis prior to mediation.

7. On January 26, 2023, the parties participated in private mediation with experienced class action mediator Honorable Daniel Buckley (Ret.). The mediation was conducted in-person in Los Angeles, California. 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 position through trial and appeal if a settlement had not been reached. After extensive negotiations and discussions regarding the strengths and weaknesses of Plaintiff’s claims and

Defendant's defenses, the Parties reached an agreement following a mediator's proposal and further settlement discussions. Attached as **Exhibit 1** is a true and correct copy of the Joint Stipulation Re: Class Action and Representative Action Settlement ("Settlement" or "Settlement Agreement").

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

9. The Court granted Plaintiff's Motion for Preliminary Approval of the Settlement on December 5, 2023. The deadline for class members to opt out or object to the Settlement was February 26, 2024. The reaction of the Class to the settlement has been overwhelmingly positive. Indeed, as of the filing of this Motion, only one (1) Class Member has opted out of the settlement, and no Class Members have objected to the settlement.

10. The proposed Settlement Agreement was provided to the LWDA in advance of Plaintiff filing her Motion for Final Approval.

11. The Settlement obviates the significant risk that this Court may deny certification of all or some of Plaintiff's claims. While Plaintiff is confident in the merits of her claims, a legitimate controversy exists as to each cause of action. Plaintiff also recognizes that proving the amount of wages due to each class member would be an expensive, time-consuming, and uncertain proposition. Furthermore, even if Plaintiff obtained certification of all or some of the claims, continued litigation would be expensive, involving a trial and possible appeals, and would substantially delay and reduce any recovery by the class. Because of the proposed settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. When considering the risks of litigation, the uncertainties involved in achieving class certification, the burdens of proof necessary to establish liability, the probability of appeal of a favorable judgment, it is clear that the settlement amount of \$1,300,000 is within the "ballpark" of

reasonableness, and final approval of the settlement is appropriate.

ENHANCEMENT AWARD FOR PLAINTIFF IS REASONABLE]

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

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

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

15. In turn, class members will now have the opportunity to participate in a settlement, reimbursing them for alleged wage violations they may have never known about on their own or been willing to pursue on their own. If these class members would have each tried to pursue their legal remedies on their own, that would have resulted in each having to expend a significant amount

of their own monetary resources and time, which were obviated by Plaintiff putting herself on the line on behalf of these other class members.

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

THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

17. The settlement provides for attorneys' fees and costs to Class Counsel in an amount up to 33 and 1/3% of the Gross Settlement Amount, for a maximum fees award of \$433,333.33, plus reasonable litigation expenses of up to \$25,000.

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

Person	Role	Hours	Rate	Lodestar
Justin F. Marquez	Senior Partner (14+ years)	54	\$1,500	\$81,000
Benjamin H. Haber	Associate Attorney (7th Year)	81	\$800	\$64,800
Arrash Fattahi	Associate Attorney (4th Year)	59	\$550	\$32,450
Maxim Gorbunov	Associate Attorney (3rd Year)	67	\$525	\$35,175
Bradford Smith	Law and Motion Attorney (2nd Year)	12	\$475	\$5,700
Min Jee Kim	Senior Paralegal	21	\$200	\$4,200

Rebecca Padilla	Paralegal	19	\$150	\$2,850
Total:				\$226,175

19. Class Counsel has spent over 313 hours litigating this Action to bring it to resolution, not including time which will be expended monitoring the administration of the settlement and distribution of funds to the Class Members. The efforts expended by Plaintiff's counsel to achieve this result include, but are not limited to, the following:

- a. the investigation of the matter, including meeting with Plaintiff, reviewing Defendant's policies, and requesting and reviewing Plaintiff's time and pay records, personnel files, and exploring the corporate structure of Defendant;
- b. filing the Action;
- c. attending status conferences and meeting and conferring with Defendant regarding the cases, including but not limited to Defendant's notice of removal;
- d. engaging in a Rule 26(f) conference and drafting a Rule 26(f) report;
- e. drafting discovery to be propounded to Defendant;
- f. meeting and conferring with Defendant regarding mediation, exchange of informal discovery beforehand, and negotiating with opposing counsel regarding the parameters thereof;
- g. selecting a mediator and mediation date;
- h. working with opposing counsel and an expert consultant for the receipt of a representative sampling and analyzing the same with the aid of expert consultant and Plaintiff to perform analyses of liability and exposure prior to attendance of the mediation in this matter;
- i. reviewing policy documents and employment records provided by Defendant and researching applicable defenses;
- j. preparation of a mediation brief and damages model for use at mediation;
- k. attendance at in-person mediation by all Parties and Counsel;
- l. communicating with Plaintiff who requested updates or other information regarding this matter;

- m. drafting various stipulations and notices in both the cases;
- n. engaging in settlement negotiations, followed by finalizing and executing an MOU and initial settlement agreement;
- o. engaging in post-mediation discussions, including negotiating, finalizing, and fully executing an updated settlement agreement, which is currently before the Court;
- p. drafting of the Motion for Preliminary Approval and supporting documents.
- q. communicating with class members who sought additional information regarding the settlement, including answering questions regarding the settlement and obtaining updated addresses from class members for purposes of receiving the class notices and administering the settlement checks;
- r. communicating with the Settlement Administrator to ensure the Class Notice was properly distributed and engaging in extensive follow-up communications with the Settlement Administrator regarding class members who sought additional information about the Settlement; and
- s. preparing the instant Motion for Final Approval and supporting documents.

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

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

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

23. It is further estimated that my office will need to expend at least another 25 to 40 hours to monitor the process leading up to payments made to the class. My office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

24. The risk to my office has been very significant, particularly if we would not be

1 successful in pursuing this class action. In that case, we would have been left with no compensation
2 for all the time taken in litigating this case. Indeed, I have taken on a number of class action cases
3 that have resulted in thousands of attorney hours being expended and ultimately having
4 certification denied or the defendant company going bankrupt. The contingent risk in these types
5 of cases is very real and they do occur regularly. Furthermore, we were precluded from focusing
6 on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

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

16 26. As of the drafting of this motion, my office has incurred around \$21,280.24 in
17 expenses litigating this action, and we anticipate accruing additional costs up to Final Approval of
18 the Settlement. These expenses were reasonably necessary to the litigation and were actually
19 incurred by my office. We also anticipate additional costs in the amount of \$300.00, which
20 includes the costs for filing Plaintiff's Motion for Final Approval, the distribution compliance
21 report, and appearing at the hearing. Accordingly, my office respectfully requests reimbursements
22 of \$21,580.24 in expenses, which should be reimbursed in full. Attached as Exhibit 2 is a list of
23 the costs and the categories of costs for the costs incurred in this case to date.

24 PLAINTIFF'S COUNSEL'S EXPERIENCE AND QUALIFICATIONS

25 27. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World
26 Report as one of the nation's Best Law Firms for every year since 2020 and is comprised of over
27 70 attorneys and over 500 employees. Wilshire Law Firm, PLC is actively and continuously
28

1 practicing in data breach and consumer litigation, representing victims of data breaches in class
2 actions in both state and federal courts throughout California.

3 28. Wilshire Law Firm, PLC is qualified to handle this litigation because its attorneys
4 are experienced in litigating data breach class action cases. Wilshire Law Firm, PLC has handled,
5 and is currently handling, numerous wage and hour class action lawsuits, as well as class actions
6 involving consumer rights and data privacy litigation.

7 29. I graduated from the University of California, Los Angeles's College Honors
8 Program in 2004 with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi*
9 *Beta Kappa*. As an undergraduate, I also received a scholarship to study abroad for one year at
10 Tokyo University in Tokyo, Japan. I received my Juris Doctor from Notre Dame Law School in
11 2008.

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

15 31. I have received numerous awards for my legal work. From 2017 to 2020, Super
16 Lawyers selected me as a "Southern California Rising Star," and from 2022 to 2024, I was selected
17 as a "Southern California Super Lawyer." I was selected as one of the "Best Lawyers in America"
18 in 2023 and 2024. In 2016 and 2017, the National Trial Lawyers selected me as a "Top 40 Under
19 40" attorney. I am also rated 10.0 ("Superb") by Avvo.com.

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

24 33. I am also a past member of the Consumer Attorneys of California ("CAOC"). In
25 2020, I was selected for a position on CAOC's Board of Directors. I am also a past member of
26 CAOC's Diversity Committee, and I helped assist the CAOC in defeating bills that harm
27 employees. Indeed, I recently helped assist Jacqueline Serna, Esq., Legislative Counsel for CAOC,
28

1 in defeating AB 443, which proposed legislation that sought to limit the enforceability of California
2 Labor Code § 226.

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

- 8 a. I served as lead or co-lead in negotiating class action settlements worth over \$10
9 million in gross recovery to class members for each year since 2020, including
10 over \$37.5 million in 2022 and over \$75 million in 2023.
- 11 b. I was part of the team of attorneys that prevailed in *Moore v. Centrelake*
12 *Medical Group, Inc.* (2022) 83 Cal.App.5th 515, the first California appellate
13 decision in a data breach class action holding that consumer plaintiffs
14 adequately alleged injury in fact under the benefit of the bargain theory and
15 monitoring-costs theory.
- 16 c. In 2022, Top Verdict recognized Wilshire Law Firm and myself for having one
17 case in the Top 20 Labor & Employment Settlements (including number 19 for
18 the \$4.1 million settlement in The FPI Management Wage and Hour Cases) and
19 four additional cases in the Top 50 Labor & Employment Settlements (numbers
20 36, 39, 41, and 49).
- 21 d. In 2021, Top Verdict recognized Wilshire Law Firm and myself for having one
22 case in the Top 20 Labor & Employment Settlements in 2021 (including number
23 19 for the \$1.6 million settlement in *Moreno v. Pretium Packaging, L.L.C*) and
24 four additional cases in the Top 50 Labor & Employment Settlements in 2021
25 (numbers 27, 30, 33, and 37).
- 26 e. To my knowledge, I am the only attorney to appear on each of the following
27 Top Verdict lists for 2018 in California: Top 20 Civil Rights Violation Verdicts,
28 Top 20 Labor & Employment Settlements, and Top 50 Class Action Settlements.

- 1 f. As lead counsel, on April 29, 2021, I prevailed against CVS Pharmacy, Inc. by
2 winning class certification on behalf of hundreds of thousands of consumers for
3 misleading advertising claims in *Joseph Mier v. CVS Pharmacy, Inc.*, U.S. Dist.
4 Ct. C.D. Cal. no. SA CV 20-1979-DOC-(ADSx).
- 5 g. As lead counsel, I prevailed against Bank of America by: winning class
6 certification on behalf of thousands of employees for California Labor Code
7 violations; defeating appellate review of the court’s order certifying the class;
8 defeating summary judgment; and defeating a motion to dismiss. (*Frausto v.*
9 *Bank of America, N.A.* (N.D. Cal. 2019) 334 F.R.D. 192, 2020 WL 1290302 (9th
10 Cir. Feb. 27, 2020), 2019 WL 5626640 (N.D. Cal. Oct. 31, 2019), 2018 W.L.
11 3659251 (N.D. Cal. Aug. 2, 2018).). The decision certifying the class in *Frausto*
12 is also discussed in Class Certification Under Fed. R. Civ. P. 23 in Action by
13 Information Technology or Call Center Employees for Violation of State Law
14 Wage and Hour Rules, 35 A.L.R. Fed. 3d Art. 8.
- 15 h. I was the primary author of the class certification and expert briefs in *ABM*
16 *Industries Overtime Cases* (2017) 19 Cal.App.5th 277, a wage and hour class
17 action for over 40,000 class members for off-the-clock, meal period, split shift,
18 and reimbursement claims. *ABM Industries Overtime Cases* is the first
19 published California appellate authority to hold that an employer’s “auto-deduct
20 policy for meal breaks in light of the recordkeeping requirements for California
21 employers is also an issue amenable to classwide resolution.” (*Id.* at p. 310.)¹
22 Notably, the Court of Appeal also held that expert analysis of timekeeping
23 records can also support the predominance requirement for class certification.
24 (*Id.* at p. 310-11.) In 2021, the case settled for \$140 million, making it one of
25 the largest ever wage and hour class action settlements for hourly-paid
26

27 ¹ As a California district court observed before the *ABM Industries Overtime* decision,
28 “[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.)

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 California’s Private Attorney Generals Act (“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. 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 Defendants to pay for the cost of *Belaire-West* notice.
- l. In 2013, I represented a whistleblower that reported that his former employer

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

1 was defrauding the State of California with the help of bribes to public
2 employees. The case, a false claims (qui tam) action, resulted in the arrest and
3 criminal prosecution of State of California employees by the California Attorney
4 General's Office.

5 m. In 2013, I was part of a team of attorneys that obtained conditional certification
6 for over 2,000,000 class members in a federal labor law case for
7 misclassification of independent contractors that did crowdsourced work on the
8 Internet, *Otey v. CrowdFlower, Inc.*, N.D. Cal. Case No. 12-cv-05524-JST
9 (MEJ), resulting in the following pro-plaintiff reported decisions:

- 10 1) 2013 U.S. Dist. LEXIS 151846 (N.D. Cal. Oct. 22, 2013) (holding
11 that an unaccepted Rule 68 offer doesn't moot plaintiff's claims, and
12 granting plaintiff's motion to strike Defendants' affirmative defenses
13 based on *Twombly/Iqbal*).
- 14 2) 2013 U.S. Dist. LEXIS 122007 (N.D. Cal. Aug. 27, 2013) (order
15 granting conditional collective certification).
- 16 3) 2013 U.S. Dist. LEXIS 95687 (N.D. Cal. July 8, 2013) (affirming the
17 magistrate judge's discovery ruling which held that "evidence of
18 other sources of income is irrelevant to the question of whether a
19 plaintiff is an employee within the meaning of the FLSA").
- 20 4) 2013 U.S. Dist. LEXIS 91771 (N.D. Cal. June 20, 2013) (granting
21 broad discovery because "an FLSA plaintiff is entitled to discovery
22 from locations where he never worked if he can provide some
23 evidence to indicate company-wide violations").

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

35. Benjamin H. Haber is a seventh-year Associate Attorney at Wilshire Law Firm. His current hourly rate for this case is \$800. 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 a 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 seven-figure settlements on behalf of tens of thousands of workers in California. He was also selected as a “Southern California Rising Star” in 2024.

36. Arrash T. Fattahi is a fourth-year Associate Attorney at Wilshire Law Firm, PLC. He was admitted to practice law in the State of California and the Central and Southern Districts of California in January 2021. Arrash graduated from the University of California, Los Angeles, with a Bachelor of Arts in Political Science, *summa cum laude*. He received his Juris Doctor from The George Washington University Law School. During law school, he was a member of the student editorial board for the *Federal Circuit Bar Journal*. Since January 2021, his practice has mainly been focused on wage and hour class action litigation. His current contingent billing rate for this case is \$550 per hour.

37. 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 Districts 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 student coach of the Hastings Moot Court Team, being awarded the Student Coach of the Year award. Since November 2021, his practice has mainly been focused on employment and wage and hour class actions. His current contingent billing rate for this case is \$525 per hour.

38. Bradford Smith is a Law and Motion Attorney at Wilshire Law Firm. He graduated

1 from the University of California, Irvine with a Bachelor of Arts in History and received his Juris
2 Doctor from Loyola Law School, Los Angeles in 2022. He was admitted to practice law in the
3 State of California in 2022. Before joining Wilshire Law Firm, he worked at a law firm
4 specializing in insurance defense litigation. His focus now is on wage and hour class action
5 litigation. His current contingent billing rate for this case is \$475 per hour.

6 39. Min Jee Kim is a Senior Paralegal at Wilshire Law Firm with thirteen years of
7 experience working at law firms, including over seven years of experience working on class action
8 cases. She is a graduate of the University of California, San Diego with a Bachelor's of Arts degree
9 in Economics. Her current contingent billing rate for this case is \$200 per hour.

10 40. Rebecca Padilla is a Paralegal at Wilshire Law Firm with six years of experience
11 working at law firms, including over two years of experience working on class action cases. She
12 is a graduate of the California State University, Northridge with a Bachelor of Science degree in
13 Business Administration – Business Law. Her current contingent billing rate for this case is \$150
14 per hour.

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

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

27 b. On January 11, 2024, the Hon. Laurel Beeler of the United States District Court,
28 Northern District of California approved my \$1,500 hourly rate when she

1 granted final approval of the class action settlement in *Suarez v. Bank of*
2 *America, N.A.* (N.D. Cal. Jan. 11, 2024), No. 18-cv-01202-LB, 2024
3 WL150721, *3 (“As for the lodestar cross-check, the billing rates are normal
4 and customary for timekeepers with similar qualifications and experience in the
5 relevant market.”)

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

- 7 1) On December 8, 2023, the Hon. Marcella O. McLaughlin of the San
8 Diego County Superior Court approved my \$1,500 hourly rate
9 when she granted final approval of the class action settlement in
10 *Payabyab v. Bridge Hospice, LLC*, Case No. 7-2021-00046218-CU-
11 OE-CTL.
- 12 2) On January 11, 2024, the Hon. Harold Hopp of the Riverside
13 County Superior Court approved my \$1,500 hourly rate when he
14 granted final approval of the class action settlement in *Gutierrez v.*
15 *Next Level Door & Millwork, Inc.*, Case No. CVRI2105455.
- 16 3) On January 19, 2024, the Hon. Lauri A. Damrell of the Sacramento
17 County Superior Court approved my \$1,500 hourly rate when she
18 granted final approval of the class action settlement in *Sunshine*
19 *Retirement Wage and Hour Cases*, Case No. JCCP 5247.
- 20 4) On January 26, 2024, the Hon. Loren G. Freestone of the San Diego
21 Superior Court approved my \$1,500 hourly rate when he granted
22 final approval of the class action settlement in *Lupercio v. Western*
23 *CNC, Inc.*, Case No. 37-2021-00010314-CU-OE-CTL.
- 24 5) On February 1, 2024, the Hon. Joseph T. Ortiz of the San
25 Bernardino Court approved by \$1,500 hourly rate when he granted
26 final approval of the class action settlement in *Jackson, et al. v.*
27 *Apple Valley Communications, Inc.*, et al., Case No.
28 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.
- d. 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).
- e. 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.
- f. 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.)
- g. 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
42. The reasonableness of my firm’s hourly rates is also supported by several surveys of legal rates, including the following:
- a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the real market rates of Los Angeles area attorneys who practice litigation. For that category, the third quartile 2022 rate was \$1,045 per hour for partners and \$855 for

1 associates. Likewise, page 32 of the Report describes the rates charged by 183 Los
2 Angeles partners with “21 or more years of experience” and “Fewer than 21 years.”
3 For those categories, the third quartile Los Angeles partner rate in 2022 were \$1,133
4 per hour for 21 or more years and \$1,075 for attorneys with fewer than 21 years. A
5 true and correct copy of portions of the 2022 Real Rate Report is attached hereto as
6 **Exhibit 3.**

- 7 b. In an article entitled “Big Law Rates Topping \$2,000 Leave Value ‘In Eye of
8 Beholder,’” written by Roy Strom and published by Bloomberg Law on June 9,
9 2022, the author describes how Big Law firms have crossed the \$2,000-per hour
10 rate. The article also notes that law firm rates have been increasing by just under
11 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 4.**

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

14 Executed on March 8, 2024, in Los Angeles, California.

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28


Justin F. Marquez

Exhibit 1

Justin F. Marquez (SBN 262417)
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Attorneys for Plaintiff, CAPRICE JUSTICE WILLIAMS and
on behalf of himself and all others similarly situated and aggrieved

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Attorneys for Defendants
TOTAL LONGTERM CARE, INC. and INNOVAGE CALIFORNIA PACE-INLAND
EMPIRE, LLC

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

CAPRICE JUSTICE WILLIAMS, on behalf
of the State of California and other aggrieved
persons,

Plaintiff,

v.

TOTAL LONGTERM CARE, INC., a
corporation; INNOVAGE CALIFORNIA
PACE-INLAND EMPIRE, LLC, a limited
liability company; and DOES 1 through 10,
inclusive,

Defendants.

CASE NO.: CIVSB2213347

PAGA REPRESENTATIVE ACTION

[Assigned for all purposes to: Hon. Jessica
Morgan, Dept. S-26]

**JOINT STIPULATION RE: CLASS
ACTION AND REPRESENTATIVE
ACTION SETTLEMENT**

Action Filed: June 23, 2022
Trial Date: None set

This Joint Stipulation re: Class Action and Representative Action Settlement
("Settlement" or "Agreement" or "Settlement Agreement") is made by and between plaintiff
CAPRICE JUSTICE WILLIAMS ("Plaintiff") individually and on behalf of the Settlement
Class, on the one hand, and defendant TOTAL LONGTERM CARE, INC. ("Defendant"), on the
other hand, in the lawsuits entitled *Caprice Justice Williams v. Total Longterm Care, Inc., et al.*,

1 filed in United States District Court, Central District of California, Case No. 5:22-cv-01180-SSS-
2 SP and San Bernardino County Superior Court, Case No. CIVSB2213347 (collectively referred
3 to herein as the “Class Action Complaint and PAGA Complaint” or “Action”). Plaintiff and
4 Defendant shall be, at times, collectively referred to as the “Parties”. This Agreement is intended
5 by the Parties to fully, finally, and forever resolve the claims as set forth herein, based upon and
6 subject to the terms and conditions of this Agreement.

7 **1. DEFINITIONS**

8 Unless otherwise defined herein, the following terms used in this Agreement shall have
9 the meanings ascribed to them as set forth below:

10 **A. “Action”** means *Caprice Justice Williams v. Total Longterm Care, Inc., and*
11 *InnovAge California Pace-Inland Empire, LLC.; and DOES 1 through 10, inclusive*, removed on
12 July 8, 2022 to the United States District Court, Central District of California, Case No. 5:22-cv-
13 01180-SSS-SP and filed on July 23, 2022 in the San Bernardino County Superior Court, Case
14 No. CIVSB2213347.

15 **B. “Agreement”** means this Joint Stipulation of Settlement, including the attached
16 Exhibit(s).

17 **C. “Aggrieved Employee(s)”** means Class Members working for Defendant during
18 the PAGA Period as non-exempt employees in California.

19 **D. “Class Counsel”** means: Justin F. Marquez, Benjamin H. Haber, and Arrash T.
20 Fattahi of Wilshire Law Firm, PLC. The term “Class Counsel” shall be used synonymously with
21 the term “Plaintiff’s Counsel.”

22 **E. “Class List”** means a list based on Defendant’s business records that identifies
23 each Class Member’s name, last known home or mailing address, Social Security number or, as
24 applicable, other taxpayer identification number, and dates of employment.

25 **F. “Class Period”** means the period from March 30, 2018 through October 31, 2023,
26 unless Defendant elects to shorten the Class Period pursuant to Paragraph 17 of this Agreement.

27 **G. “Class Notice”** means and refers to the notice sent to Class Members after
28 preliminary approval of the Settlement in the manner described in Paragraph 9(A) of this

1 Agreement.

2 **H. “Court”** means the Superior Court of the State of California for the County of
3 San Bernardino where the Parties intend to seek approval of this Settlement Agreement.

4 **I. “Effective Date”** means the later of: (1) sixty-five (65) days after the Final Order;
5 or (2) if an appeal or other judicial review is taken from the Court’s overruling of objections to
6 the Settlement Agreement, ten (10) days after the appeal is withdrawn or after an appellate
7 decision affirming the Final Order becomes final.

8 **J. “Defendant”** means, collectively, Defendant Total Longterm Care, Inc.

9 **K. “Defense Counsel”** means counsel for Defendant:

10 Adam Y. Siegel (SBN 238568)

11 Ikedi O. Onyemaobim (SBN 311221)

12 JACKSON LEWIS P.C.

13 725 South Figueroa Street, Suite 2500

14 Los Angeles, California 90017-5408

15 Tel: (213) 689-0404

16 Fax: (213) 689-0430

17 **L. “Disposition”** means the method by which the Court approves the terms of the
18 Settlement and retains jurisdiction over its enforcement, implementation, construction,
19 administration, and interpretation.

20 **M. “Employer Taxes”** means employer-funded taxes and contributions imposed on
21 the wage portions of the Individual Settlement Payments under the Federal Insurance
22 Contributions Act, the Federal Unemployment Tax Act, and any similar state and federal taxes
23 and contributions required of employers, such as for unemployment insurance.

24 **N. “Final Order Approving Settlement” or “Final Order”** means the final formal
25 court order signed by the Court following the Final Fairness and Approval Hearing in accordance
26 with the terms herein, approving this Agreement.

27 **O. “General Release”** means the broader release of claims by Plaintiff, which is in
28 addition to Plaintiff’s limited release of claims as a Participating Class Member.

1 **P. “Gross Settlement Amount”** means a non-reversionary fund in the sum of One
2 Million, Three Hundred Thousand Dollars and Zero Cents (\$1,300,000.00),¹ which shall be paid
3 by Defendant, from which all payments for the Individual Settlement Payments to Participating
4 Class Members, the Court-approved amounts for attorneys’ fees and reimbursement of litigation
5 costs and expenses to Class Counsel, Settlement Administration Costs, the Service Award, the
6 PAGA Payment, and the LWDA Payment shall be paid. It expressly excludes Employer Taxes,
7 which shall be paid by Defendant in addition to the Gross Settlement Amount.

8 **Q. “Individual PAGA Payment(s)”** means a payment made to an Aggrieved
9 Employee for his or her share of the PAGA Payment, which may be in addition to his or her
10 Individual Settlement Share if he or she is also a Participating Class Member.

11 **R. “Individual Settlement Payment(s)”** means a payment to a Participating Class
12 Member of his or her net share of the Net Settlement Amount.

13 **S. “Individual Settlement Share”** means the gross amount of the Net Settlement
14 Amount that a Participating Class Member is projected to receive based on the number of
15 Workweeks that he or she worked as a Settlement Class Member during the Class Period, which
16 shall be reflected in his or her Class Notice.

17 **T. “LWDA”** means the State of California Labor and Workforce Development
18 Agency.

19 **U. “LWDA Payment”** means the payment to the LWDA for its seventy-five percent
20 (75%) share of the total amount allocated toward penalties under the PAGA all of which is to be
21 paid from the Gross Settlement Amount. The Parties have agreed that Fifty Thousand Dollars
22 and Zero Cents (\$50,000.00) shall be allocated toward PAGA penalties, of which Thirty-Seven
23 Thousand and Five Hundred Dollars and Zero Cents (\$37,500.00) will be paid to the LWDA
24 (*i.e.*, the LWDA Payment) and Twelve Thousand, Five Hundred Dollars and Zero Cents
25 (\$12,500.00) will be paid to Aggrieved Employees on a *pro rata* basis based on the Workweeks
26 worked for Defendant as a non-exempt employee in California in the PAGA Period (*i.e.* the
27 PAGA Payment).

28 ¹ The same may be increased in accordance with Paragraph 17, below.

1 **V. “Motion for Final Approval”** means Plaintiff’s submission of a written motion,
2 including any evidence as may be required for the Court to conduct an inquiry into the fairness
3 of the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval
4 Hearing, and to enter a Final Order in this Action.

5 **W. “Motion for Preliminary Approval”** means Plaintiff’s submission of a written
6 motion, including any evidence as may be required for the Court to grant preliminary approval
7 of the Settlement as required by Rule 3.769 of the California Rules of Court.

8 **X. “Net Settlement Amount”** means the portion of the Gross Settlement Amount
9 that is available for distribution to the Participating Class Members after deductions for the Court-
10 approved allocations for Settlement Administration Costs, a Service Award to Plaintiffs, an
11 award of attorneys’ fees, reimbursement of litigation costs and expenses to Class Counsel, the
12 LWDA Payment, and the PAGA Payment.

13 **Y. “Non-Participating Class Member(s)”** means any Class Member(s) who submit
14 to the Settlement Administrator a valid and timely written request to be excluded from the Class
15 pursuant to Paragraph 9(C) below. Non-Participating Class Member(s) shall still receive their
16 pro rata share of the PAGA Settlement Amount, if applicable.

17 **Z. “PAGA”** means the California Private Attorneys General Act of 2004, which is
18 codified in California Labor Code §§ 2698 *et seq.*

19 **AA. “PAGA Payment”** is the 25% portion of the Fifty Thousand Dollars and Zero
20 Cents (\$50,000.00) that is allocated toward PAGA penalties (Twelve Thousand Five Hundred
21 Dollars and Zero Cents (\$12,500.00)) that will be paid to Aggrieved Employees on a *pro rata*
22 basis based on the Workweeks worked as non-exempt employees in California in the PAGA
23 Period, which would be in addition to their Individual Settlement Payment if they are
24 Participating Class Members, as well. Aggrieved Employees are not permitted to exclude
25 themselves from receiving their pro rata share of the PAGA Payment.

26 **BB. “PAGA Period”** means the period from June 23, 2021 through the end of the
27 Class Period.

28 **CC. “Participating Class Member(s)”** means all Settlement Class Members who do

1 not submit a timely and valid Request for Exclusion and will therefore receive his or her share
2 of the Net Settlement Amount automatically without the need to return a claim form. Each
3 Participating Class Member will be paid his/her Participating Individual Settlement Share. Class
4 Members may not exclude themselves from receiving their pro rata share of the PAGA
5 Settlement Amount, if applicable.

6 **DD. “Participating Individual Settlement Share”** means the gross amount of the Net
7 Settlement Amount that a Participating Class Member is eligible to receive based on the number
8 of Workweeks that he or she worked as a Settlement Class Member during the Class Period once
9 all opt-outs have been factored in, excluding any Individual PAGA Payment to which he or she
10 may be entitled if he or she is also an Aggrieved Employee.

11 **EE. “Plaintiff”, “Named Plaintiff” or “Class Representative”** shall refer to
12 Plaintiff Caprice Justice Williams.

13 **FF. “Preliminary Approval Date”** means the date on which the Court enters an
14 Order granting preliminary approval of the Settlement embodied in this Agreement.

15 **GG. “Qualified Settlement Fund” or “QSF”** means a fund within the meaning of
16 Treasury Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
17 Administrator for the benefit of Participating Class Members.

18 **HH. “Released Parties”** shall mean a) Defendant and each and all past or present
19 owners, partners, parent companies, subsidiaries, divisions, related or affiliated companies
20 (regardless of whether such partners, parent companies, subsidiaries, divisions, related or
21 affiliated companies are individuals, corporations, partnerships, limited partnerships, limited
22 liability companies, or other forms of entity) of Defendant; (b) each and all of the predecessor or
23 successor entities of any of those entities identified in subparagraph (a); (c) any other individuals
24 or entities of any kind including, but not limited to, any payroll companies, which have been or
25 could be alleged to be in any manner responsible (whether on an alter ego, joint employer,
26 integrated enterprise, or any other theory) for any violations described in Paragraph 7 below and
27 occurring as a result of employment with Defendant, including Defense Counsel of record in the
28 Action; and (d) all past and present directors, officers, representatives, insurers, agents,

1 shareholders, partners, members, lawyers, successors and assigns, and employees of any of the
2 individuals or entities identified in subparagraphs (a), (b), or (c).

3 **II. “Response Deadline”** means the deadline for Settlement Class Members to
4 postmark or fax any Requests for Exclusion, Objections, or Workweek Disputes to the Settlement
5 Administrator. The Response Deadline is forty-five (45) calendar days from the date that the
6 Class Notice is first mailed by the Settlement Administrator, unless a Class Member’s notice is
7 re-mailed. In such an instance, the Response Deadline shall be fifteen (15) calendar days from
8 the date of re-mailing, or forty-five (45) calendar days from the date of the initial mailing,
9 whichever is later, in which to postmark a Request for Exclusion, Workweek Dispute or
10 Objection. The date of the postmark shall be the exclusive means for determining whether a
11 Request for Exclusion, Objection, or Workweek Dispute was submitted by the applicable
12 Response Deadline.

13 **JJ. “Request for Exclusion”** means a written request to be excluded from the
14 Settlement Class pursuant to Paragraph 9(C) below.

15 **KK. “Service Award”** means monetary amounts to be paid to Named Plaintiff of up
16 to Twelve Thousand and Five Hundred Dollars and Zero Cents (\$12,500.00), which subject to
17 Court approval, will be paid out of the Gross Settlement Amount.

18 **LL. “Settlement Administration Costs”** means all costs incurred by the Settlement
19 Administrator in administration of the Settlement, including, but not limited to, translating the
20 Class Notice to Spanish, the distribution of the Class Notice to the Settlement Class in English
21 and Spanish, calculating Individual Settlement Shares, Individual Settlement Payments,
22 Individual PAGA Payments, and Participating Individual Settlement Shares, as well as associated
23 taxes and withholdings, providing declarations, generating Individual Settlement Payment
24 checks and related tax reporting forms, doing administrative work related to unclaimed checks,
25 transmitting payment to Class Counsel for the Court-approved amounts for attorneys’ fees and
26 reimbursement of litigation costs and expenses, to Plaintiffs for their Service Award, and to the
27 LWDA for the LWDA Payment, providing weekly reports of opt-outs, objections and related
28 information, and any other actions of the Settlement Administrator as set forth in this Agreement,

all pursuant to the terms of this Agreement. The Settlement Administration Costs are estimated not to exceed \$20,000.00. If the actual amount of the Settlement Administration Costs is less than \$20,000.00, the difference between \$20,000.00 and the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$20,000.00 then such excess will be paid solely from the Gross Settlement Amount and Defendant will not be responsible for paying any additional funds in order to pay these additional costs.

MM. “Settlement Administrator” means the Third-Party Administrator mutually agreed upon by the Parties that will be responsible for the administration of the Settlement including, without limitation, translating the Class Notice in Spanish, the distribution of the Individual Settlement Payments to be made by Defendant from the Gross Settlement Amount and related matters under this Agreement.

NN. “Settlement Class”, “Settlement Class Member(s)”, “Class”, or “Class Member(s)” means all current and former non-exempt employees who worked in California for Defendant at any time during the Class Period.

OO. “Workweeks” means the number of weeks that a Settlement Class Member was employed by and worked for the Defendant as a non-exempt employee during the Class Period in California, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

2. BACKGROUND

A. On April 11, 2022, Plaintiff filed with the LWDA and served on Defendant a notice under Labor Code section 2699.3 stating Plaintiff intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for various Labor Code violations (“PAGA Notice”).

B. On June 10, 2022, Plaintiff filed a putative wage-and-hour class action alleging that, during the Class Period, Defendant, as it pertains to Class Members: (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods or compensation in lieu thereof; (4)) failed to provide rest periods or compensation in

1 lieu thereof; (5) failed to all wages due upon separation from employment; (6) failed to issue
2 accurate and compliant wage statements; (7) failed to indemnify necessary expenditures or
3 losses; and (8) engaged in unfair business practices (“Class Action Complaint”).

4 **C.** On July 8, 2022, Defendant filed a Notice of Removal in the United States District
5 Court for the Central District of California, pursuant to the Class Action Fairness Act of 2005.

6 **D.** On June 23, 2022, Plaintiff filed a lawsuit in San Bernardino County Superior
7 Court alleging a single cause of action for Civil Penalties under the Private Attorney General Act
8 (“PAGA”). Plaintiff’s PAGA complaint alleged that, during the PAGA Period, Defendant, as it
9 pertains to Class Members: (1) failed to pay minimum and straight time wages; (2) failed to pay
10 overtime wages; (3) failed to provide meal periods or compensation in lieu thereof; (4)) failed
11 to provide rest periods or compensation in lieu thereof; (5) failed to all wages due upon separation
12 from employment; (6) failed to issue accurate and compliant wage statements; and (7) failed to
13 indemnify necessary expenditures or losses (“PAGA Complaint”).

14 **E.** On September 12, 2022, Defendant timely filed an Answer to Plaintiff’s PAGA
15 Complaint.

16 **F.** Shortly thereafter, the Parties agreed to exchange informal discovery and attend
17 an early mediation, in which Plaintiff was provided with, among other things: (1) all records
18 pertaining to Plaintiff; (2) data points for Class Members, including the total number of currently
19 employed Class Members, the total number of formerly employed Class Members, and the total
20 number of formerly employed Class Members during the PAGA Period; (3) Defendant’s
21 employee handbooks; (4) Defendant’s wage and hour policies and procedures; (5) a 20%
22 sampling of the total amount paid by Defendant to Class Members for meal period premium
23 wages since October 3, 2017; and (6) a 20% sampling of the total amount paid by Defendant to
24 Class members for rest period premium wages since October 3, 2017.

25 **G.** On January 26, 2023, the Parties participated in a full-day mediation before the
26 Honorable Daniel Buckley (Ret.), a well-regarded mediator experienced in mediating complex
27 labor and employment matters. With the aid of the mediator’s evaluation, and months of further
28 negotiations, the Parties reached the Settlement to resolve the Action.

1 **H.** Class Counsel has conducted significant investigation of the law and facts relating
2 to the claims asserted in the Class Action, and the PAGA Notice, and have concluded that the
3 Settlement set forth herein is fair, reasonable, adequate, and in the best interests of the Settlement
4 Class, taking into account the sharply contested issues involved, the expense and time necessary
5 to litigate the Action through trial and any appeals, the risks and costs of further litigation of the
6 Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information
7 learned through informal discovery regarding Plaintiff's allegations, and the substantial benefits
8 to be received by Settlement Class Members.

9 **I.** Defendant has concluded that, because of the substantial expense of defending
10 against the Action, the length of time necessary to resolve the issues presented herein, the
11 inconvenience involved, and the concomitant disruption to its business operations, it is in its best
12 interest to accept the terms of this Agreement. Defendant denies each of the allegations and
13 claims asserted against it in the Action and the PAGA Notice. However, Defendant nevertheless
14 desires to settle the Action for the purpose of avoiding the burden, expense and uncertainty of
15 continuing litigation and for the purpose of putting to rest the controversies engendered by the
16 Action.

17 **J.** This Agreement is intended to and does effectuate the full, final, and complete
18 resolution of all Class Released Claims of Plaintiff and Participating Class Members, and all
19 PAGA Released Claims of Plaintiffs and, to the extent permitted by law, of the State of California
20 and Aggrieved Employees.

21 **3. JURISDICTION**

22 The Court has jurisdiction over the Parties and the subject matter of the Action. The
23 Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the
24 applicable statutes. After the Court has granted the Final Order Approving Settlement and
25 entered judgment, the Court shall retain jurisdiction over the Parties to enforce the terms of the
26 judgment pursuant to California Rule of Court, rule 3.769, subdivision (h).

27 **4. STIPULATION OF CLASS CERTIFICATION**

28 The Parties stipulate to the certification of the Settlement Class under this Agreement for

1 purposes of settlement only. Should the Court not enter preliminary or final approval of the
2 settlement, stipulation to certification shall be null and void.

3 **5. MOTIONS FOR APPROVAL OF SETTLEMENT**

4 After full execution of this Agreement, Plaintiff will move for an order granting
5 preliminary approval of the Settlement, approving and directing the mailing of the proposed
6 Notice of Class Action Settlement (“Class Notice”) attached hereto as **Exhibit “A,”** conditionally
7 certifying the Settlement Class for settlement purposes only, and approving the deadlines
8 proposed by the Parties for the submission of Requests for Exclusion, Workweek Disputes, and
9 Objections. If and when the Court preliminarily approves the Settlement, and after
10 administration of the Class Notice in a manner consistent with the Court’s Preliminary Approval
11 Order, Plaintiff will move for an order finally approving the Settlement and seek entry of a
12 Judgment consistent with this Settlement. The Parties may both respond to any Objections
13 lodged to final approval of the Settlement up to five (5) court days before the Final Fairness and
14 Approval Hearing.

15 **6. NO ADMISSION**

16 In entering into this Agreement, Defendant does not admit, and specifically denies, the
17 allegations in the Action, that it violated any federal, state, or local law; violated any regulations
18 or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or
19 legal requirements; breached any contract; violated or breached any duty; engaged in any
20 misrepresentation or deception; or engaged in any other unlawful conduct with respect to its
21 employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations
22 connected with it, will be construed as an admission or concession by Defendant of any such
23 violations or failures to comply with any applicable law.

24 **7. RELEASE OF CLAIMS**

25 **A. Release by All Participating Class Members**

26 Upon the date Defendant transfers the Gross Settlement Amount and Employer Taxes
27 necessary to effectuate the Settlement, entry of an Order granting Final Approval of the
28 Settlement, and entry of Judgment, Plaintiff and Participating Class Members release the

Released Parties from any and all claims alleged or that could have been alleged in Plaintiff's Operative Complaint based on the facts alleged therein, which arose during the Class Period, including but not limited to (1) all claims for failure to pay minimum and straight time wages, pursuant to Labor Code sections 204, 1194, 1194.2, 1197 and 1197.1; (2) all claims for failure to pay overtime wages, including the first 8 hours of work on the seventh day worked of any one workweek, pursuant to Labor Code sections 510, 551, 552, 1194 and 1198; (3) all claims for failure to provide meal periods or compensation in lieu thereof, pursuant to Labor Code sections 226.7 and 512; (4) all claims for failure to provide rest periods or compensation in lieu thereof, pursuant to Labor Code sections 226.7 and 512; (5) all claims for failure to pay all wages due upon separation from employment, pursuant to Labor Code sections 201, 202 and 203; (6) all claims for failure to issue accurate and compliant wage statements, pursuant to Labor Code section 226; (7) all claims for failure to indemnify necessary expenditures or losses, pursuant to Labor Code 2800 and 2802; and (8) all claims asserted through California Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the Complaint (the "Class Released Claims").

B. Release by All Aggrieved Employees

Upon the date Defendant transfers the Gross Settlement Amount and Employer Taxes necessary to effectuate the Settlement, entry of an Order granting Final Approval of the Settlement, and entry of Judgment, the State of California and Aggrieved Employees release the Released Parties from all claims exhausted in Plaintiff's notice(s) sent to the LWDA and alleged in the Operative Complaint and/or based on the Released Claims, which arose during the PAGA Period, regardless of whether Aggrieved Employees opt out of the Settlement Class ("PAGA Released Claims"). The Class Released Claims and PAGA Released Claims shall be referred to herein as the "Released Claims."

C. Claims Not Released

The releases above expressly exclude all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and any other claims outside of the Class Released Claims of Participating Class

Members arising during the Class Period and the PAGA Released Claims of Aggrieved Employees (and, to the extent permitted by law, the State of California) arising outside of the PAGA Period.

D. Plaintiff's General Release of All Known and Unknown Claims

Upon the date of funding of the Gross Settlement Amount, in addition to the claims being released by all Participating Class Members, the named Plaintiff will release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which the Named Plaintiff has or may have against the Released Parties as of the date of execution of this Agreement ("Named Plaintiff's Released Claims"). The Named Plaintiff's Released Claims include, but are not limited to, all of the Released Claims, the PAGA Released Claims and any other claims arising under the California Labor Code; any claim arising out of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal common law; all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the release of claims not permitted by law.

The Named Plaintiff's Released Claims include all claims, whether known or unknown. Even if the Named Plaintiff discovers facts in addition to or different from those that he now knows or believes to be true with respect to the subject matter of the Named Plaintiff's Released Claims, those claims will remain released and forever barred. To effectuate a full and complete general release as described above, the Named Plaintiff expressly waives any and all rights and benefits conferred upon him by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law which are as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT

1 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
2 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
3 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
4 DEBTOR OR RELEASED PARTY.

5 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
6 release and discharge of the Released Parties, the Named Plaintiff expressly acknowledges this
7 Agreement is intended to include in its effect, without limitation, all claims the Named Plaintiff
8 does not know or suspect to exist in the Named Plaintiff's favor at the time of signing this
9 Agreement, and that this Agreement contemplates the extinguishment of any such claims. The
10 Named Plaintiff warrants that the Named Plaintiff has read this Settlement, including this waiver
11 of California Civil Code section 1542, and that the Named Plaintiff has consulted with or had the
12 opportunity to consult with counsel of the Named Plaintiff's choosing about this Agreement and
13 specifically about the waiver of section 1542, and that the Named Plaintiff understands this
14 Agreement and the section 1542 waiver, and so the Named Plaintiff freely and knowingly enter
15 into this Agreement. The Named Plaintiff further acknowledges that the Named Plaintiff later may
16 discover facts different from or in addition to those the Named Plaintiff now knows or believes to
17 be true regarding the matters released or described in this Agreement, and even so the Named
18 Plaintiff agrees that the releases and agreements contained in this Agreement shall remain effective
19 in all respects notwithstanding any later discovery of any different or additional facts. The Named
20 Plaintiff expressly assumes any and all risk of any mistake in connection with the true facts
21 involved in the matters, disputes, or controversies released or described in this Agreement or with
22 regard to any facts now unknown to the Named Plaintiff relating thereto.

23 **8. SETTLEMENT ADMINISTRATOR**

24 Plaintiff and Defendant, through their respective counsel, have selected Phoenix
25 Settlement Administrators to administer the Settlement, which includes but is not limited to
26 translating the Class Notice to Spanish, distributing and responding to inquiries about the Class
27 Notice and calculating all amounts to be paid from the Gross Settlement Amount. Charges and
28 expenses of the Settlement Administrator, currently estimated to be \$20,000.00 will be paid from

the Gross Settlement Amount. If the actual amount of the Settlement Administration Costs is less than \$20,000.00, the difference between \$20,000.00 and the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$20,000.00, then such excess will be paid solely from the Gross Settlement Amount and Defendant will not be responsible for paying any additional funds in order to pay these additional costs.

9. NOTICE, WORKWEEK DISPUTE, OBJECTION, AND EXCLUSION PROCESS

A. Notice to the Settlement Class Members

Within ten (10) calendar days after the Preliminary Approval Date, Defense Counsel shall provide the Settlement Administrator with information with respect to each Settlement Class Member, including his or her: (1) name; (2) last known address(es) currently in Defendant's possession, custody, or control; (3) last known Social Security Number(s) in Defendant's possession, custody, or control; and (4) the dates of employment (*i.e.*, hire dates, and, if applicable, re-hire date(s) and/or separation date(s)) for each Settlement Class Member ("Class List"), which shall be made available to Class Counsel upon request for the purpose of effectuating the Settlement. The Settlement Administrator shall perform an address search using the United States Postal Service National Change of Address ("NCOA") database and update the addresses contained on the Class List with the newly-found addresses, if any. Within ten (10) calendar days, or soon thereafter, of receiving the Class List from Defendant, the Settlement Administrator shall mail the Class Notice in English and Spanish to the Settlement Class Members via first-class regular U.S. Mail using the most current mailing address information available. The Settlement Administrator shall maintain the Class List and digital copies of all the Settlement Administrator's records evidencing the giving of notice to any Settlement Class Member, for at least four (4) years from the Effective Date.

The Class Notice will set forth the following:

- (1) the Settlement Class Member's estimated Individual Settlement Payment and Individual PAGA Payment, and the basis for each;
- (2) the information required by California Rule of Court, rule 3.766,

1 subdivision (d);

2 (3) the material terms of the Settlement;

3 (4) the proposed Settlement Administration Costs;

4 (5) the definition of the Settlement Class;

5 (6) a statement that the Court has preliminarily approved the Settlement;

6 (7) how the Settlement Class Member can obtain additional information,
7 including contact information for Class Counsel;

8 (8) information regarding opt-out and objection procedures;

9 (9) the date and location of the Final Fairness and Approval Hearing; and

10 (10) that the Settlement Class Member must notify the Settlement
11 Administrator no later than the Response Deadline if the Settlement Class
12 Member disputes the accuracy of the number of Workweeks as set forth
13 on his or her Class Notice (“Workweek Dispute”). If a Settlement Class
14 Member fails to timely dispute the number of Workweeks attributed to
15 him or her in conformity with the instructions in the Class Notice, then he
16 or she shall be deemed to have waived any objection to its accuracy and
17 any claim to any additional settlement payment based on different data.

18 If a Class Notice from the initial notice mailing is returned as undeliverable, the
19 Settlement Administrator will attempt to obtain a current address for the Settlement Class
20 Member to whom the returned Class Notice had been mailed, within five (5) calendar days of
21 receipt of the returned Class Notice, by: (1) contacting the Settlement Class Member by phone,
22 if possible, and (2) undertaking skip tracing. If the Settlement Administrator is successful in
23 obtaining a new address, it will promptly re-mail the Class Notice to the Settlement Class
24 Member. Further, any Class Notices that are returned to the Settlement Administrator with a
25 forwarding address before the Response Deadline shall be promptly re-mailed to the forwarding
26 address affixed thereto.

27 No later than seven (7) calendar days from the Response Deadline, the Settlement
28 Administrator shall provide counsel for the Parties with a declaration attesting to the completion

of the notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Class Notices, as well as the identities, number of, and copies of all Requests for Exclusion and Objections received by the Settlement Administrator.

B. Objections

Only Participating Class Members may object to the Settlement. In order for any Settlement Class Member to object to this Settlement in writing, or any term of it, he or she must do so by mailing a written objection to the Settlement Administrator at the address or phone number provided on the Class Notice no later than the Response Deadline. The Settlement Administrator shall email a copy of the Objection forthwith to Class Counsel and Defense Counsel and attach copies of all Objections to the Declaration it provides Class Counsel, which Class Counsel shall file in support of Plaintiff's Motion for Final Approval. The Objection should set forth in writing: (1) the Objector's name; (2) the Objector's address; (3) the last four digits of the Objector's Social Security Number; (4) the Objector's signature; (5) a statement of whether the Objector plans to appear at the Final Fairness and Approval Hearing; and (6) the reason(s) for the Objection, along with whatever legal authority, if any, the Objector asserts in support of the Objection. If a Settlement Class Member objects to the Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Settlement Class Member who does not object. The date of mailing of the Class Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator. Settlement Class Members need not object in writing to be heard at the Final Fairness and Approval Hearing; they may object or comment in person at the hearing at their own expense. Class Counsel and Defense Counsel may respond to any objection lodged with the Court up to five (5) court days before the Final Fairness and Approval Hearing. Settlement Class Members who worked during the PAGA Period are not permitted to object to the PAGA Released Claims or any portion of the Settlement pertaining to the PAGA Released Claims.

1 **C. Requesting Exclusion**

2 Any Settlement Class Member may request exclusion from (*i.e.*, “opt out” of) the
3 Settlement by mailing a written request to be excluded from the Settlement (“Request for
4 Exclusion”) to the Settlement Administrator, postmarked on or before the Response Deadline.
5 To be valid, a Request for Exclusion must include: (1) the Class Member’s name; (2) the Class
6 Member’s Social Security Number; (3) the Class Member’s signature; and (4) the following
7 statement: “Please exclude me from the Settlement Class in the *Williams v. Total Longterm Care,*
8 *Inc., et al.* matter” or any statement of similar meaning standing for the proposition that the Class
9 Member does not wish to participate in the Settlement. The Settlement Administrator shall
10 immediately provide copies of all Requests for Exclusion to Class Counsel and Defense Counsel
11 and shall report the Requests for Exclusions that it receives, to the Court, in its declaration to be
12 provided in advance of the Final Fairness and Approval Hearing. Any Settlement Class Member
13 who requests exclusion using this procedure will not be entitled to receive any payment from the
14 Settlement and will not be bound by the Settlement Agreement or have any right to object to,
15 appeal, or comment on the Settlement. Any Settlement Class Member who does not opt out of
16 the Settlement by submitting a timely and valid Request for Exclusion will be bound by all terms
17 of the Settlement, including those pertaining to the Released Claims, as well as any Judgment
18 that may be entered by the Court if Final Order Approving Settlement is granted. A Settlement
19 Class Member cannot submit both a Request for Exclusion and an objection. If a Settlement
20 Class Member submits an Objection and a Request for Exclusion, the Request for Exclusion will
21 control and the Objection will be overruled. Settlement Class Members who worked during the
22 PAGA Period that submit a valid Request for Exclusion will still be deemed Aggrieved
23 Employees, will still receive their Individual PAGA Payments, and will be bound by the release
24 of the PAGA Released Claims.

25 **D. Disputes Regarding Settlement Class Members’ Workweek Data**

26 Each Settlement Class Member may dispute the number of Workweeks attributed to him
27 or her on his or her Class Notice (“Workweek Dispute”). Any such disputes must be mailed to
28 the Settlement Administrator by the Settlement Class Member, postmarked on or before the

Response Deadline. The Settlement Administrator shall immediately provide copies of all disputes to Class Counsel and counsel for Defendant and shall immediately attempt to resolve all such disputes directly with relevant Settlement Class Member(s) with the assistance of Defendant and Class Counsel. If the dispute cannot be resolved in this manner, the Court shall adjudicate the dispute.

10. INDIVIDUAL SETTLEMENT PAYMENTS AND INDIVIDUAL PAGA PAYMENTS

Individual Settlement Payments will be calculated and distributed to Participating Class Members from the Net Settlement Amount on a *pro rata* basis, based on the Participating Class Members' respective number of Workweeks during the Class Period. Individual PAGA Payments to Aggrieved Employees will be calculated and distributed to Aggrieved Employees from the PAGA Payment on a *pro rata* basis based on Aggrieved Employees' respective number of Workweeks during the PAGA Period. Specific calculations of the Individual Settlement Shares and Individual PAGA Payments to Aggrieved Employees will be made as follows:

A. The Settlement Administrator will determine the total number of Workweeks worked by each Settlement Class Member during the Class Period ("Class Member's Workweeks"), as well as the aggregate number of Workweeks worked by all Settlement Class Members during the Class Period ("Class Workweeks"). Additionally, the Settlement Administrator will determine the total number of Workweeks worked by each Aggrieved Employee during the PAGA Period ("Aggrieved Employee's Workweeks"), as well as the aggregate number of Workweeks worked by all Aggrieved Employees during the PAGA Period ("PAGA Workweeks").

B. To determine each Settlement Class Member's Individual Settlement Share, the Settlement Administrator will use the following formula: Individual Settlement Share = (Settlement Class Member's Workweeks ÷ Class Workweeks) × Net Settlement Amount.

C. To determine each Participating Class Member's Participating Individual Settlement Share, the Settlement Administrator will determine the aggregate number of

1 Workweeks worked by all Participating Class Members during the Class Period (“Participating
2 Class Workweeks”) and use the following formula: Individual Settlement Share =
3 (Participating Class Member’s Workweeks ÷ Participating Class Workweeks) × Net Settlement
4 Amount.

5 **D.** The net amount of the Participating Individual Settlement Share is to be paid out
6 to Participating Class Members by way of check and is referred to as “Individual Settlement
7 Payment(s)”.

8 **E.** To determine each Aggrieved Employee’s Individual PAGA Payment, the
9 Settlement Administrator will use the following formula: Aggrieved Employee’s Individual
10 PAGA Payment = (Aggrieved Employee’s Workweeks ÷ PAGA Workweeks) x \$12,500.00
11 (the PAGA Payment).

12 **F.** Individual Settlement Payments and Individual PAGA Payments shall be paid
13 to Participating Class Members and/or Aggrieved Employees by way of check. When a
14 Participating Class Member is also an Aggrieved Employee, one check may be issued that
15 aggregates both the Individual Settlement Payment and the Individual PAGA Payment.

16 **11. DISTRIBUTION OF PAYMENTS**

17 **A. Distribution of Individual Settlement Payments**

18 Participating Class Members will receive an Individual Settlement Payment and
19 Aggrieved Employees will receive an Individual PAGA Payment. Individual Settlement
20 Payment and Individual PAGA Payment checks shall remain valid and negotiable for one-
21 hundred and eighty (180) calendar days after the date of their issuance. Within seven (7)
22 calendar days after expiration of the 180-day period, checks for such payments shall be
23 canceled and funds associated with such checks shall be transmitted to the California
24 Controller’s Office, Unclaimed Property Fund, thereby leaving no “unpaid residue” subject to
25 the requirements of California Code of Civil Procedure Section 384. In the event a Participating
26 Class Member fails to cash/deposit his or her Individual Settlement Payment, the Participating
27 Class Member shall nevertheless remain bound by the Settlement.
28

1 **B. Funding of Settlement**

2 Defendant shall, within five (5) calendar days of the Effective Date, make payment of the
3 Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17 of this
4 Agreement) and Employer Taxes to the Settlement Administrator pursuant to Internal Revenue
5 Code section 1.468B-1 for deposit in an interest-bearing qualified settlement account (“QSA”)
6 with an FDIC insured banking institution, for distribution in accordance with this Agreement and
7 the Court’s Orders and subject to the conditions described herein.

8 **C. Time for Distribution**

9 Within seven (7) calendar days after payment of the Gross Settlement Amount and
10 Employer Taxes by Defendant, or as soon thereafter as practicable, the Settlement Administrator
11 shall distribute Payments from the QSA for: (1) the Service Award to Plaintiff as specified in
12 this Agreement and approved by the Court; (2) the Attorneys’ Fees and Cost Award to be paid
13 to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement
14 Administrator Costs, as specified in this Agreement and approved the Court; (4) the LWDA
15 Payment, as specified in this Agreement and approved by the Court; and (5) Individual PAGA
16 Payments as specified in this Agreement and approved by the Court. The balance remaining
17 shall constitute the Net Settlement Amount from which Individual Settlement Payments shall be
18 made to Participating Class Members, less applicable taxes and withholdings. All interest
19 accrued shall be for the benefit of the Class Members and distributed on a *pro rata* basis to
20 Participating Class Members based on the number of Workweeks worked by them in the Class
21 Period.

22 **D. Tax Liability and Circular 230 Disclaimer**

23 Named Plaintiff, Defendant, Class Counsel, and Defense Counsel make no
24 representation as to the tax treatment or legal effect of the payments called for hereunder. The
25 Named Plaintiff and Participating Class Members are not relying on any statement,
26 representation, or calculation by Defendant or by the Settlement Administrator in this regard.
27 Participating Class Members understand and agree that they shall be responsible for the payment
28 of all taxes and penalties assessed on the payments specified herein, and shall hold the Parties,

1 Class Counsel and Defense Counsel free and harmless from and against any claims resulting from
2 treatment of such payments as non-taxable, including the treatment of such payments as not subject
3 to withholding or deduction for payroll and employment taxes.

4 EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE
5 “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER
6 THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES
7 AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
8 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
9 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY
10 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
11 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
12 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
13 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
14 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
15 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
16 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY
17 OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT
18 ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
19 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY
20 THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
21 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
22 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR
23 ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
24 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF
25 THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING
26 ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

27 **12. ATTORNEYS’ FEES AND LITIGATION COSTS**

28 Class Counsel shall apply for, and Defendant shall not oppose, an award of attorneys’

1 fees of up to 33 1/3% of the Gross Settlement Amount, which, unless escalated pursuant to
2 Paragraph 17 of this Agreement, amounts to Four Hundred and Thirty-Three Thousand and Three
3 Hundred and Thirty-Three Dollars and Thirty-Three Cents (\$433,333.33). Class Counsel shall
4 further apply for, and Defendant shall not oppose, an application or motion by Class Counsel for
5 reimbursement of actual costs associated with Class Counsel's prosecution of this matter as set
6 forth by declaration testimony in an amount up to Twenty-Five Thousand Dollars and Zero Cents
7 (\$25,000.00). Awards of attorneys' fees and costs shall be paid out of the Gross Settlement
8 Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle, and obtain
9 Final Order Approving Settlement in the Action. The "future" aspect of the amounts stated herein
10 includes, without limitation, all time and expenses expended by Class Counsel (including any
11 appeals therein). There will be no additional charge of any kind to either the Settlement Class
12 Members or request for additional consideration from Defendant for such work unless, Defendant
13 materially breaches this Agreement, including any term regarding funding, and further efforts
14 are necessary from Class Counsel to remedy said breach, including, without limitation, moving
15 the Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation
16 costs and expenses in amounts that are less than the amounts provided for herein, then the
17 unapproved portion(s) shall be a part of the Net Settlement Amount.

18 Class Counsel shall be solely and legally responsible to pay all applicable taxes on the
19 award of attorneys' fees. Class Counsel shall provide the Settlement Administrator with properly
20 completed and signed copies of IRS Form W-9 in order for the Settlement Administrator to
21 process such fees approved by the Court. The Settlement Administrator shall issue an IRS
22 Form 1099 to Class Counsel for the Class Counsel Award.

23 **13. SERVICE AWARD TO PLAINTIFF**

24 Named Plaintiff Caprice Justice Williams shall seek, and Defendant shall not oppose, a
25 Service Award in an amount not to exceed Twelve Thousand and Five Hundred Dollars and Zero
26 Cents (\$12,500.00) to Plaintiff, for participation in and assistance with the Action. Any Service
27 Award awarded to Plaintiff shall be paid from the Gross Settlement Amount and shall be reported
28 on an IRS Form 1099. If the Court approves the Service Award to Plaintiff in less than the

1 amounts sought herein, then the unapproved portion(s) shall be a part of the Net Settlement
2 Amount.

3 The Named Plaintiff will be solely and legally responsible to pay any and all applicable
4 taxes on the Service Award and shall hold harmless Defendant, Class Counsel and Defense
5 Counsel from any claim or liability for taxes, penalties, or interest arising as a result of payment
6 of the Service Award. Any amount requested by the Named Plaintiff for the Service Award and
7 not awarded by the Court shall become part of the Net Settlement Amount and shall be distributed
8 to Participating Class Members as part of their Individual Settlement Payment.

9 **14. TAXATION AND ALLOCATION**

10 Each Individual Settlement Share shall be allocated as follows: 20% as wages (to be
11 reported on an IRS Form W-2); and 80% as interest and penalties (to be reported on an IRS Form
12 1099). Each Individual PAGA Payment shall be allocated entirely as penalties. The Parties agree
13 that the employees' share of taxes and withholdings with respect to the wage-portion of the
14 Individual Settlement Share will be withheld from the Individual Settlement Share in order to
15 yield the Individual Settlement Payment. The amount of federal income tax withholding will be
16 based upon a flat withholding rate for supplemental wage payments in accordance with Treasury
17 Regulation § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also
18 be made pursuant to applicable state and/or local withholding codes or regulations.

19 All monies received by Participating Class Members under the Settlement which are
20 attributable to wages shall constitute income to such Participating Class Members solely in the
21 year in which such monies actually are received by the Participating Class Members. It is the
22 intent of the Parties that Individual Settlement Payments provided for in this Agreement are the
23 sole payments to be made by Defendant to Participating Class Members in connection with this
24 Settlement, with the exception of the Named Plaintiff, and that the Participating Class Members
25 are not entitled to any new or additional compensation or benefits as a result of having received
26 the Individual Settlement Payments. Furthermore, the receipt of Individual Settlement Payments
27 by Participating Class Members shall not, and does not, by itself establish any general, special,
28 or joint employment relationship between and among the Participating Class Member(s) and

1 Defendant.

2 Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at
3 times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and
4 consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other
5 applicable tax law, is changed after the date of this Agreement, the processes set forth in this
6 Section may be modified in a manner to bring Defendant into compliance with any such changes.

7 All Employer Taxes shall be paid by Defendant separate, apart, and in addition to the
8 Gross Settlement Amount. Defendant shall remain liable to pay the employer's share of payroll
9 taxes as described above.

10 Neither Counsel for Plaintiff nor Defendant intend anything contained in this Agreement
11 to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied
12 upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R.
13 Part 10, as amended) or otherwise.

14 **15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION**

15 The Parties agree to allocate Fifty Thousand Dollars and Zero Cents (\$50,000.00) of the
16 Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent
17 (75%) of the amount allocated toward PAGA (\$37,500.00) will be paid to the LWDA and twenty-
18 five percent (25%) (\$12,500.00) will be distributed to Aggrieved Employees on a *pro rata* basis
19 based upon their respective Workweeks worked as Aggrieved Employees during the PAGA
20 Period.

21 **16. COURT APPROVAL**

22 This Agreement is contingent upon an order by the Court granting Final Order Approving
23 Settlement, and that the LWDA does not intervene and object to the Settlement. In the event it
24 becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties
25 shall be restored to their respective positions in the Action prior to entry of this Settlement. If
26 this Settlement Agreement is voided, not approved by the Court or approval is reversed on appeal,
27 it shall have no force or effect and no Party shall be bound by its terms except to the extent: (a)
28 the Court reserves any authority to issue any appropriate orders when denying approval; and/or

(b) there are any terms and conditions in this Settlement Agreement specifically stated to survive the Settlement Agreement being voided or not approved, and which control in such an event.

17. INCREASE IN WORKWEEKS

Defendant has estimated there are approximately 49,960 Workweeks at issue for the Class Members during the Class Period. If, as of the close of the Class Period, the actual number of Workweeks worked by Class Members during the Class Period is more than ten percent (10%) of this estimate (i.e., if there are 54,956 or more Workweeks worked by the Class Members during the Class Period), then either the Gross Settlement Amount will be increased by the same proportion above ten percent (10%) using the Workweek Value or Defendant, at their sole discretion, may elect to cut off the Class Period and PAGA Period as of the date the total Workweeks worked by Class Members during the Class Period exceeds 10% of estimated 49,960 Workweeks worked by Class Members during the Class Period. The Workweek Value shall be calculated by dividing the Gross Settlement Amount by the estimate of Workweeks at issue, meaning that the parties agree that the Workweek Value shall be \$26.02. (\$1,300,000 / 49,960 Workweeks.) Thus, for example, if the Workweeks worked by Class Members during the Class Period amount to 15% increase (57,454 Workweeks), Defendant may choose either that (i) the Gross Settlement Amount to be paid will be increased by \$64,998 (2,498 Workweeks x \$26.02); or (ii) the Class Period and the PAGA Period will end on the date on which 54,956 Workweeks are reached.

18. WITHDRAWAL FROM SETTLEMENT BASED ON REQUESTS FOR EXCLUSION

Defendant shall retain the option to nullify the Agreement in the event that more than 5% of Class Members submit timely and valid Requests for Exclusion. Defendant must provide written notice to Class Counsel of their withdrawal within thirty (30) calendar days of receiving sufficient information to determine that the opt out rate exceeds 5%. If Defendant exercises this right, it shall be solely responsible for the costs incurred for settlement administration up to the date of nullification.

19. NOTICE OF JUDGMENT

1 In addition to any duties set out herein, the Settlement Administrator shall provide
2 notice of the Final Judgment entered in the Action by posting the same on its website for a
3 period of no less than four (4) years.

4 **20. LIMITATIONS ON USE OF THIS SETTLEMENT**

5 **A. Non-Evidentiary Use**

6 Whether or not the Effective Date occurs, neither this Agreement, nor any of its terms,
7 nor the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received
8 as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Released
9 Parties, including but not limited to, evidence of a presumption, concession, indication, or
10 admission by any of the Released Parties of any liability, fault, wrongdoing, omission,
11 concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the
12 Released Parties in any further proceeding in the Action, except for the purposes of effectuating
13 the Settlement pursuant to this Agreement, for Defendant to establish that a Class Member has
14 resolved any of his or her claims released through this Agreement, or any motion necessary to
15 enforce the terms of the Settlement.

16 **B. Nullification**

17 The Parties have agreed to the certification of the Class encompassing all claims alleged
18 in the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any
19 reason fail to certify this Class for settlement, or (b) the Court should for any reason fail to
20 approve this Settlement, or (c) the Court should for any reason fail to enter the Final Order, or
21 (d) the Final Order is reversed, or declared or rendered void, or (e) the Court should for any
22 reason fail to dispose of the Action in its entirety, then the Parties shall meet and confer to address
23 the Court's concerns and make necessary revisions to the Agreement. However, in the event the
24 Court requests revisions which would frustrate the purpose of this Settlement and the Parties are
25 unable to come to a resolution, then: (i) this Agreement shall be considered null and void;
26 (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force
27 or effect; (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as
28 if the Agreement had been neither entered into nor filed with the Court; and (iv) the fact that the

1 Parties were willing to stipulate to class certification of all causes of action pled in the Action as
2 part of the Settlement will have no bearing on, and will not be admissible in connection with, the
3 issue of whether the Class should be certified by the Court in a non-settlement context in this
4 Action or any other action, and in any of those events, Defendant expressly reserve the right to
5 oppose certification of the Class. The Parties will then take the appropriate steps to lift the stay
6 currently in place in the Federal Court Action.

7 Additionally, should the Settlement not become final for any reason, any Settlement
8 Administration Costs already incurred by the Settlement Administrator shall be split evenly
9 amongst the Parties. If Defendant elects to revoke the Settlement, as specified in Paragraph 18,
10 the Parties and any monies required to be paid under this Settlement shall be returned to their
11 respective statuses as of the date and time immediately prior to the execution of this Settlement,
12 and the Parties shall proceed in all respects as if this Settlement had not been executed, except
13 that any Settlement Administration Costs already incurred by the Settlement Administrator shall
14 be paid to the Settlement Administrator by Defendant.

15 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and
16 the Gross Settlement Amount shall not be distributed pending the completion of the appeal.

17 **21. MISCELLANEOUS PROVISIONS**

18 **A. Interpretation of the Agreement**

19 This Agreement constitutes the entire agreement between the Parties with respect to its
20 subject matter. Except as expressly provided herein, this Agreement has not been executed in
21 reliance upon any other written or oral representations or terms, and no such extrinsic oral or
22 written representations or terms shall modify, vary or contradict its terms. In entering into this
23 Agreement, the Parties agree that this Agreement is to be construed according to its terms and
24 may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and
25 enforced under the laws of the State of California, both in its procedural and substantive aspects,
26 without regard to its conflict of law provisions. Any claim arising out of or relating to the
27 Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior
28 Court of the State of California for the County of San Bernardino, and Plaintiff and Defendant

1 hereby consent to the personal jurisdiction of the Court in the Action over it solely in connection
2 therewith. The foregoing is only limited to disputes concerning this Agreement. The Parties,
3 and each of them, participated in the negotiation and drafting of this Agreement and had available
4 to them the advice and assistance of independent counsel. As such, neither Plaintiff nor
5 Defendant may claim that any ambiguity in this Agreement should be construed against the other.
6 The Agreement may be modified only by a writing signed by counsel for the Parties and approved
7 by the Court.

8 **B. Further Cooperation**

9 The Parties and their respective attorneys shall proceed diligently to prepare and execute
10 all documents, to seek the necessary approvals from the Court, and to do all things reasonably
11 necessary to consummate the Settlement as expeditiously as possible. The Parties agree that they
12 will not take any action inconsistent with this Agreement, including, without limitation,
13 encouraging Class Members to opt out of the Settlement. In the event the Court finds that any
14 Party has taken actions inconsistent with the Settlement, including, without limitation,
15 encouraging Class Members to opt out of the Settlement, the Court may take any corrective
16 actions, including enjoining any Party from communicating regarding the Settlement on an *ex*
17 *parte* basis, issuing (a) corrective notice(s), awarding monetary, issue, evidentiary and/or
18 terminating sanctions against that Party, and/or enforcing this Agreement despite the presence of
19 opt-outs and/or objections.

20 **C. Counterparts**

21 The Agreement may be executed in one or more actual or non-original counterparts, all
22 of which will be considered one and the same instrument and all of which will be considered
23 duplicate originals.

24 **D. Authority**

25 Each individual signing below warrants that he or she has the authority to execute this
26 Agreement on behalf of the Party for whom or which that individual signs.

27 **E. No Third-Party Beneficiaries**

28 Plaintiff, Participating Class Members, Aggrieved Employees, the State of California,

1 Class Counsel, and Defendant are direct beneficiaries of this Agreement, but there are no third-
2 party beneficiaries.

3 **F. Deadlines Falling on Weekends or Holidays**

4 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday,
5 or legal holiday, that deadline shall be continued until the following business day.

6 **G. No Public Comment**

7 The Parties and their counsel agree that they will not issue any press releases, initiate any
8 contact with the press, respond to any press inquiry, or have any communication with the press
9 about the fact, amount or terms of the Agreement. Class Counsel further agrees not to use the
10 Agreement or any of its terms for any marketing or promotional purposes. Nothing herein will
11 restrict Class Counsel from including publicly available information regarding this settlement in
12 future judicial submissions regarding Class Counsel's qualifications and experience. Further,
13 Class Counsel will not include, reference or use the Agreement for any marketing or promotional
14 purposes, or for attempting to influence business relationships at Defendant's locations, either
15 before or after the Motion for Preliminary Approval is filed. However, nothing in this Agreement
16 shall prevent Class Counsel from communicating with Class Members who request Class
17 Counsel's assistance regarding this Settlement.

18 **H. Jurisdiction of the Court**

19 Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain
20 jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of
21 this Settlement Agreement and all orders and judgments entered in connection therewith, and the
22 Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of
23 interpreting, implementing, and enforcing the settlement embodied in this Settlement Agreement
24 and all orders and judgments entered in connection therewith.

25 **I. Severability**

26 In the event that one or more of the provisions contained in this Agreement shall for any
27 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
28 unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel,

on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

IT IS SO AGREED:

Dated: 11/8/2023, 2023

DocuSigned by:

BD39EE6E7090456...
CAPRICE JUSTICE WILLIAMS

Plaintiff and Class Representative

Dated: _____, 2023

TOTAL LONGTERM CARE, INC. and
INNOVAGE CALIFORNIA PACE-
INLAND EMPIRE, LLC

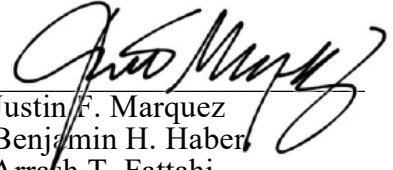
Defendants

By: _____

Its: _____

AGREED AS TO FORM:

Dated: November 8, 2023


Justin F. Marquez
Benjamin H. Haber
Arrash T. Fattahi

Attorneys for Plaintiff CAPRICE JUSTICE
WILLIAMS and the Class

Dated: _____, 2023

ADAM Y. SIEGEL
IKEDI O. ONYEMAOBIM

Attorneys for Defendants

on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

IT IS SO AGREED:

Dated: _____, 2023

CAPRICE JUSTICE WILLIAMS

Plaintiff and Class Representative

Dated: November 13, 2023

TOTAL LONGTERM CARE, INC. and
INNOVAGE CALIFORNIA PACE-
INLAND EMPIRE, LLC

Defendants

By: *Patrick Blau*

Its: _____

AGREED AS TO FORM:

Dated: _____, 2023

Justin F. Marquez
Benjamin H. Haber
Arrash T. Fattahi

Attorneys for Plaintiff CAPRICE JUSTICE
WILLIAMS and the Class

Dated: 11/10/2023, 2023

Adam Siegel
ADAM Y. SIEGEL
IKEDI O. ONYEMAOBIM

Attorneys for Defendants

TOTAL LONGTERM CARE, INC. and
INNOVAGE CALIFORNIA PACE-
INLAND EMPIRE, LLC

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Exhibit 2

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

3/5/2024

Accrual Basis

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
COS					
Mediation Fees					
	10/3/2022	38225	Mediation Fee	7,950.00	7,950.00
Total MEDIATION FEES				7,950.00	7,950.00
Expert Fees					
	2/10/2023	8206	Expert Fees	2,870.00	2,870.00
Total EXPERT FEES				2,870.00	2,870.00
Legal Expenses					
	10/1/2021		Investigation Services	258.00	258.00
	10/11/2021	845122362	Legal Research	46.78	46.78
	2/27/2022		Investigation Services	5.37	5.37
	3/21/2022		Investigation Services	5.37	5.37
	4/6/2022	846130079	Legal Research	31.87	31.87
	4/9/2022		PAGA Fee	75.00	75.00
	5/6/2022	846308554	Legal Research	69.00	69.00
	5/17/2022		Document Retrieval	4.00	4.00
	8/4/2022		Pacer	6.90	6.90
	10/4/2022	847129568	Legal Research	80.27	80.27
	10/23/2022		Investigation Services	5.37	5.37
	11/4/2022		Pacer	6.90	6.90
	2/6/2023	847783910	Legal Research	73.75	73.75
	2/6/2023	847783910	Legal Research	206.77	206.77
	2/8/2023		Legal Research	74.00	74.00
	3/10/2023		Document Retrieval	2.50	2.50
	3/13/2023	31323	Court Call	72.00	72.00
	6/6/2023	848413295	Legal Research	125.13	125.13
	6/6/2023	848413295	Legal Research	125.13	125.13
	7/7/2023	848582696	Legal Research	27.27	27.27
	7/7/2023	848582696	Legal Research	75.82	75.82
	8/4/2023	848737597	Legal Research	168.97	168.97
	8/7/2023		Pacer	28.58	28.58
	9/13/2023	7072D9F3-0005-B	Legal Research	68.49	68.49
	9/13/2023	7072D9F3-0005-C	Legal Research	68.49	68.49
	9/13/2023	7072D9F3-0005-D	Legal Research	68.49	68.49
	9/14/2023	848896021	Legal Research	14.21	14.21
	9/22/2023		Court Call	72.00	72.00
	11/6/2023	849221290	Legal Research	75.82	75.82
	11/10/2023		Document Retrieval	17.50	17.50
	11/15/2023	7072D9F3-0006-A	Legal Research	68.49	68.49
	11/15/2023	7072D9F3-0006-B	Legal Research	82.19	82.19
	11/15/2023	7072D9F3-0006-C	Legal Research	95.89	95.89
	11/15/2023	7072D9F3-0006-D	Legal Research	95.89	95.89
	12/4/2023	849369962	Legal Research	16.07	16.07
	12/7/2023		Court Call	72.00	72.00
	12/8/2023		Document Retrieval	3.00	3.00
Total LEGAL EXPENSES				2,393.28	2,393.28
Process Service Fees					
	4/26/2022	46300	Attorney Services	1,723.50	1,723.50
	6/10/2022	48354	Attorney Services	141.00	141.00
	6/10/2022	48355	Attorney Services	61.00	61.00
	7/19/2022	49254	Attorney Services	135.00	135.00
	8/15/2022	48714	Attorney Services	618.50	618.50
	8/16/2022	49850	Attorney Services	141.00	141.00
	8/16/2022	49851	Attorney Services	61.00	61.00
	8/18/2022	49880	Attorney Services	95.00	95.00
	8/23/2022	48375	Attorney Services	95.00	95.00
	9/26/2022	51150	Attorney Services	139.00	139.00
	10/5/2022	51151	Attorney Services	135.00	135.00
	10/10/2022	51552	Attorney Services	135.00	135.00

	11/2/2022	52288	Attorney Services	1,735.50	1,735.50
	11/17/2022	52762	Attorney Services	135.00	135.00
	2/3/2023	55179	Attorney Services	159.95	159.95
	2/3/2023	55253	Attorney Services	135.00	135.00
	2/23/2023	55955	Attorney Services	139.00	139.00
	3/8/2023	56443	Attorney Services	159.95	159.95
	3/21/2023	56936	Attorney Services	135.00	135.00
	5/18/2023	59507	Attorney Services	125.00	125.00
	5/18/2023	59542	Attorney Services	159.95	159.95
	6/7/2023	59719	Attorney Services	135.00	135.00
	7/19/2023	62063	Attorney Services	159.95	159.95
	8/3/2023	62745	Attorney Services	135.00	135.00
	9/18/2023	64978	Attorney Services	159.95	159.95
	10/16/2023	21360370	Attorney Services	19.65	19.65
	10/18/2023	21364502	Attorney Services	40.36	40.36
	11/9/2023	67505	Attorney Services	146.00	146.00
	11/14/2023	21625344	Attorney Services	81.54	81.54
Total PROCESS SERVICE FEES				7,241.80	7,241.80
Other Costs					
	9/27/2021		Case Administration Fee for In-House Services	500.00	500.00
	10/5/2021	E-606554	Postage Cost	4.33	4.33
	10/5/2021	E-606555	Postage Cost	4.33	4.33
	12/9/2021	E-725548	Postage Cost	6.13	6.13
	12/9/2021	E-725550	Postage Cost	6.13	6.13
	12/9/2021	E-726961	Printing Cost	4.50	4.50
	2/25/2022	E-829592	Postage Cost	6.13	6.13
	2/25/2022	E-829590	Postage Cost	6.13	6.13
	4/12/2022	E-935475	Postage Cost	6.13	6.13
	4/12/2022	E-935474	Postage Cost	6.13	6.13
	4/12/2022	E-935473	Postage Cost	6.13	6.13
	4/12/2022	E-1021123	Printing Cost	6.75	6.75
	10/10/2022	E-2742585	Printing Cost	0.25	0.25
	10/10/2022	E-2980248	Printing Cost	0.25	0.25
	1/26/2023		Dinner after mediation	176.73	176.73
	1/26/2023		Uber - Travel to Mediation	22.95	22.95
	1/26/2023		Uber - Travel from Mediation	21.49	21.49
	1/26/2023		Mediation Parking Fee	35.00	35.00
	5/12/2023	E-3145854	Printing Cost	1.89	1.89
	8/18/2023	E-3162787	Printing Cost	1.89	1.89
	11/6/2023	E-3160047	Printing Cost	1.89	1.89
Total OTHER COSTS				825.16	825.16
TOTAL				21,280.24	21,280.24

Exhibit 3



ELM Solutions

2022 Real Rate Report[®]

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

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Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors¹ that drive rates²:

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

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

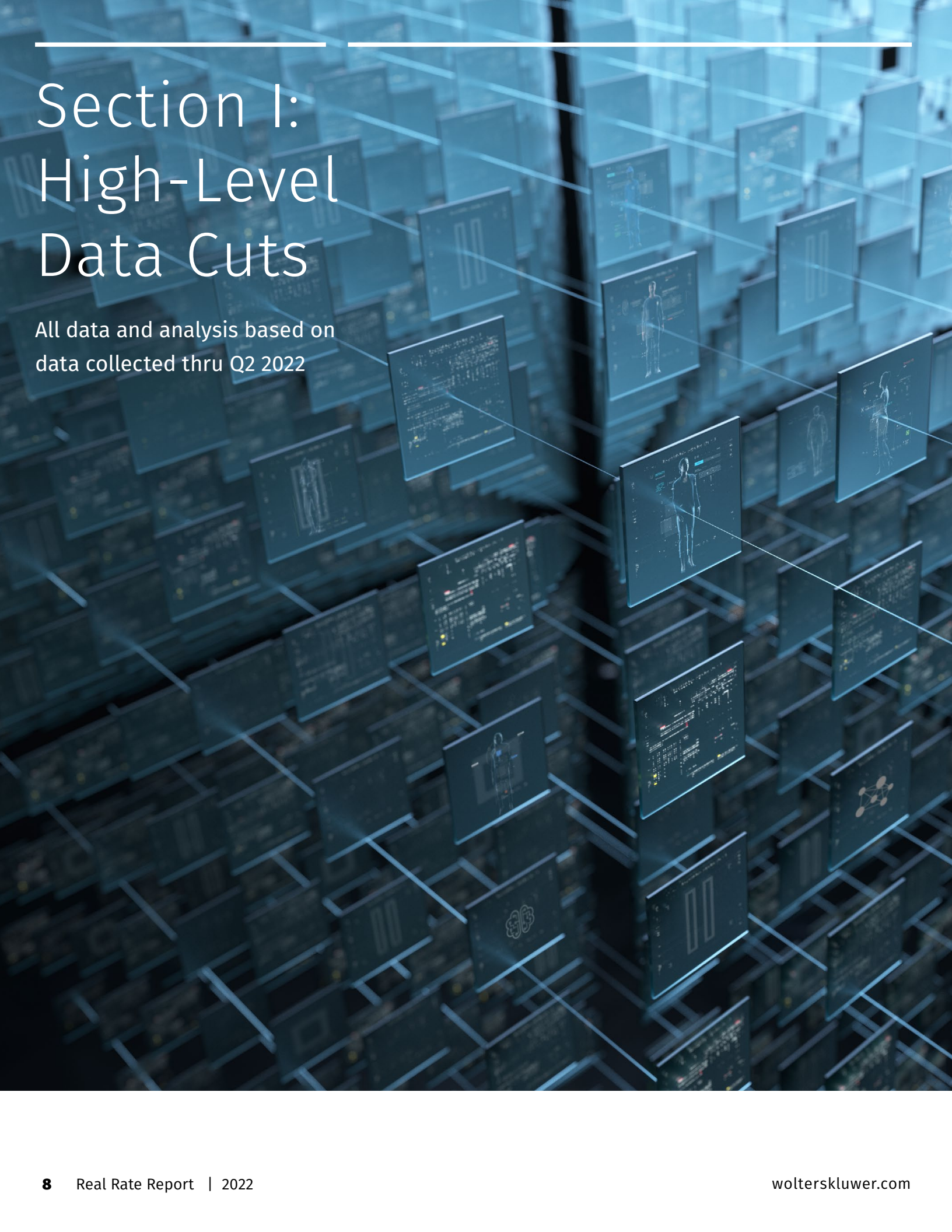
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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

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

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

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

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



Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

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

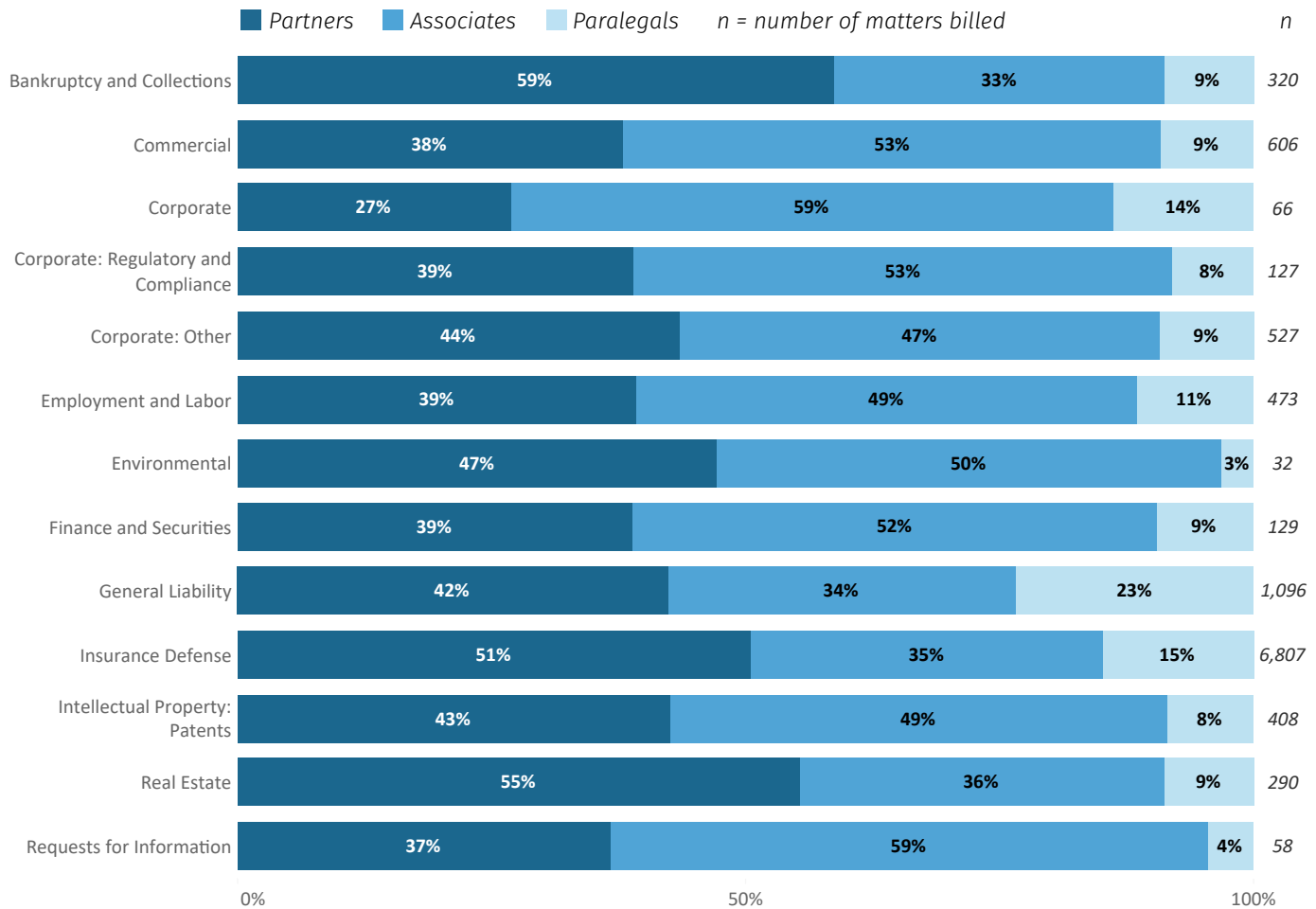
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate¹

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

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

Employment and Labor

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

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

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

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

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

General Liability

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

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

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

Exhibit 4

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Business & Practice

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

By Roy Strom

Column

June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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



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

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Documents

[Trustee's Objection](#)

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Williams, et al. v. Total Longterm Care, Inc., et al.
CIVSB2213347

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

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

On March 8, 2024, I served the foregoing **DECLARATION OF JUSTIN F. MARQUEZ IN SUPPORT OF PLAINTIFF'S MOTION FINAL APPROVAL OF CLASS ACTION SETTLEMENT**, on the interested parties by placing a true copy thereof, enclosed in a sealed envelope by following one of the methods of service as follows:

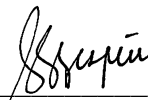
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Attorneys for Defendants

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

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

Executed on March 8, 2024, at Los Angeles, California.



Sandy S. Sespene