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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF PLACER

GERBER HERNANDEZ, on behalf of the State of California and other aggrieved persons,

Plaintiff,

v.

L&S CONSTRUCTION SERVICES, INC., a California corporation; L&S FRAMING, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: S-CV-0048880

PAGA REPRESENTATIVE ACTION

[*Assigned for all purposes to*: Hon. Michael Jones, Dept. 3]

DECLARATION OF BENJAMIN H. HABER IN SUPPORT OF PLAINTIFF'S MOTION TO APPROVE PAGA SETTLEMENT

Motion Hearing Date:
Date: January 30, 2025
Time: 8:25 a.m.
Dept.: 3

Complaint Filed: August 4, 2022
Trial Date: not set

DECLARATION OF BENJAMIN H. HABER

I, Benjamin H. Haber, 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 an Attorney at Wilshire Law Firm, PLC ("Wilshire Law Firm"), counsel of record for Plaintiff Gerber Hernandez ("Plaintiff"). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness.

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

Background

3. I am informed and believe, and upon such information and belief assert that Defendant L&S Construction Services, Inc. ("L&S Construction") is a residential concrete company that lays foundation and performs flatwork on mostly residential buildings. Defendant L&S Framing, Inc. ("L&S Framing;" and collectively with L&S Construction, "Defendants") builds and installs wooden framed walls, floors and roof systems for residential buildings. Plaintiff worked for Defendants from approximately July 2020 to approximately December 2021 ("PAGA Period").

4. On October 11, 2023, Defendant L&S Framing filed a Motion for Summary Judgment, claiming that it was not an employer of Plaintiff. Following extensive discovery, which included written discovery and depositions, and a full briefing of the motion, the Court ultimately denied Defendant L&S Framing's Motion for Summary Judgment on March 26, 2024.

5. Plaintiff's PAGA claim stems from his allegation that Defendants fail to pay for all hours worked (minimum, straight time, and overtime wages), fail to provide meal periods, fail to authorize and permit rest periods, fail to timely pay final wages, fail to furnish accurate wage statements, fail to indemnify for necessary business expenditures, and engage in unfair business practices, as it relates to their non-exempt and/or hourly-paid employees. On August

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8, 2022, Plaintiff provided notice to the California Labor & Workforce Development Agency ("LWDA") and Defendants of the allegations described above, as required by Labor Code section 2699.3, subdivision (a)(1). Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), the LWDA had 65 calendar days to notify Plaintiff and Defendants whether it intended to investigate the alleged violations. However, the LWDA did not do so.

Discovery and Investigation

6. After Plaintiff filed his complaint and engaged in motion practice related to Defendant L&S Framing's Motion for Summary Judgment, the Parties engaged in extensive settlement discussions. To facilitate settlement, Defendants provided Plaintiff with a sampling of timekeeping and payroll data for the allegedly aggrieved employees ("PAGA Employees"), and documents reflecting Defendants' policies and procedures in effect during the relevant time period. Thereafter, the Parties engaged in extensive discussions about the factual and legal strengths (and weaknesses) of the claims and defenses.

7. On August 19, 2024, the Parties and their counsel participated in private mediation with Mark LeHocky, Esq. The settlement negotiations were at arm's length, and, although conducted in a professional manner, were adversarial. The Parties went into the mediation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate their respective positions through trial and appeal, if a settlement had not been reached.

8. Ultimately, after an all-day mediation presided over by Mark LeHocky, Esq., and subsequent discussions, the Parties agreed to settle the PAGA claim for $1,130,000.00; which, if approved by the Court, would include all of the aforementioned violations allegedly committed upon persons employed by either L&S Construction or L&S Framing in California, who were classified as a non-exempt or hourly-paid employee during the PAGA Period. There are approximately 1,600 PAGA Employees covered by the tentative settlement agreement. Plaintiff submitted a copy the settlement agreement to the LWDA on January 7, 2025, pursuant to Labor Code section 2699, subdivision (l)(2), while contemporaneously filing this instant motion. A true and correct copy of the proposed PAGA Settlement Agreement ["Settlement"]

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executed by the Parties, along with the confirmation that the Settlement has been contemporaneously-submitted to the LWDA, is attached to this Declaration as **Exhibit 1**. Additionally, attached as **Exhibit 2** to this Declaration is the proposed Settlement Notice that the Parties intend to send to the PAGA Employees, together with the payment of their portion of the monetary settlement amount, should the Court enter a Judgement on the proposed Order Approving the PAGA Settlement.

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

Assessment of Amount in Controversy and Risks of Continued Litigation

10. Plaintiff and my firm remain confident of the merits of Plaintiff's claims. Plaintiff's allegation that Defendants failed to pay Plaintiff and the PAGA Employees all of their owed wages is based upon what Plaintiff and my firm confidently believe is substantial evidence of Defendants' failure to pay employees for work performed "off-the-clock." Nonetheless, Defendants deny that any work was performed "off-the-clock". With respect to the meal period allegation, Plaintiff alleges that Defendants did not have fully compliant written meal period policies, and had illegal blanket meal period waivers. Although Plaintiff contends that this allegation is meritorious, there is risk with this underlying claim. With respect to the rest period allegation, Plaintiff contends that employees, including himself, were not provided with California-compliant rest periods, and that employees were required to remain on-site during rest periods, and that Defendants failed to ensure that non-compliant rest periods would result in premium payments. Again, despite Plaintiff's contention that this allegation is credible, proving rest period allegations is particularly difficult because rest periods do not have to be recorded, and Defendants can argue that the aggrieved employees chose to voluntarily forego their rest periods. With respect to the unreimbursed business expenses allegation, Plaintiff alleges that Defendants required him and the other aggrieved employees to use their cellphones to communicate with supervisors and other employees, and that Defendants required them to purchase uniform items, such as company shirts,

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without being reimbursed. Defendants dispute this claim based upon the fact that they provided employees with all of the necessary tools required for the performance of their duties; and as such, any additional tools purchased by employees were not truly necessary. In addition, Defendants assert that the purchase of any company apparel was voluntary, and any use of personal cell phones was not only voluntary, but performed without the knowledge of the company.

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

12. In addition, Plaintiff believes there is a legitimate risk of the Court significantly reducing the amount of any penalties imposed, given the technical nature of the alleged violations.

13. Without this settlement, the Parties face preparation for trial, as well as extensive formal discovery efforts and further depositions. As a result, the Parties would incur considerably more attorneys' fees and costs through trial. This proposed Settlement seeks to avoid those risks and the accompanying expense. Thus, this factor also favors settlement approval.

14. My expert determined that there were 93,000 pay periods during the relevant time period which presented issues with regard to alleged unpaid wages, meal period violations, rest period violations, and unreimbursed business expenses. Applying the $100 "initial violation" penalty for each of these pay periods, Defendants' potential PAGA exposure is $9,300,000.00 (based upon 93,000 pay periods).

15. However, given Defendants' contention that the underlying allegations lack merit, and given the Court maintains discretion to reduce these penalties, Plaintiff discounted this maximum exposure by 80 percent, for a total of $1,860,000.00.

16. Plaintiff predicted that the realistic total potential recovery for the PAGA Employees and the LWDA would be approximately $1,860,000.00. The proposed Settlement of $1,130,000.00 therefore represents 61% of Plaintiff's reasonably forecasted total recovery. In this

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case, continued litigation would delay payment to the LWDA and the PAGA Employees as they await trial and, most likely, appellate proceedings. Furthermore, while Plaintiff is confident in the merits of the case, a legitimate controversy exists as to each of the predicate Labor Code violations, as well as whether Plaintiff was an employee of L&S Framing with standing to bring his claims against that Defendant. The possibility that the Court finds no liability at the PAGA bench trial is also a risk. In sum, when the risks of litigation, the burdens of proof necessary to establish liability, and the probability of appeal of a favorable judgment are balanced against the merits of Plaintiff's claims, it is clear that the monetary settlement amount is fair. Further, because of the proposed Settlement, the PAGA Employees will receive timely, guaranteed relief; and will avoid the risk of an unfavorable judgment. Plaintiff also recognizes that proving the amount of wages due to each employee would be an expensive, time-consuming, and uncertain proposition.

17. If the Court approves the terms of the Settlement, each aggrieved employees' payment will average approximately $105.21, and approximately $505,000.00 will go to the LWDA. In reality, some employees will likely receive more than said amount, and others may receive less depending on the length of their employment with Defendants.

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PAGA Representative Service Payment

18. The Settlement provides for a service payment to Plaintiff in an amount not to exceed $10,000.00. (Settlement, ¶ 3.2.1.) The requested service award is intended to recognize: (1) the substantial time and effort that Plaintiff has expended on behalf of the State and PAGA Employees; (2) the risks faced by Plaintiff as a result of bringing this action; (3) the fact that Plaintiff put the interests of the State of California and PAGA Employees ahead of his own; and (4) the substantial benefit conferred upon the State and PAGA Employees as a result of Plaintiff's actions.

19. Plaintiff has spent numerous hours performing tasks for this case, including, but not limited to, the following: consulting with counsel in-person and over the telephone; searching for and producing relevant documents; reviewing documents produced by Defendants and settlement documents; keeping informed of the developments in the case; and participating in decisions concerning the case, including settlement. As a result of his efforts, the LWDA and about 1,600

PAGA Employees will receive compensation for civil penalties for allegedly underpaid wages and other alleged wage-and-hour violations.

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

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

Attorneys' Fees And Costs

22. The Settlement provides for a payment of attorneys' fees in the amount of $376,666.67, and up to an additional $60,000.00 for the awardable costs incurred by Plaintiff's counsel. As of the filing date, Plaintiff's counsel's total lodestar is $326,100, which is based upon 372 hours of attorney time at customary hourly rates. Thus, under these circumstances and using a modest 1.15 multiplier, Plaintiff's request for $376,666.67 in attorneys' fees and costs is reasonable under the lodestar method.

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

Attorney	**Hours**	**Rate**	**Lodestar**
John G. Yslas	3	$1,000	$3,000.00
Benjamin H. Haber	93	$775	$72,075.00
Daniel J. Kramer	184	$750	$138,000.00
Bradford Smith	27	$575	$15,525.00
Justin F. Marquez (former)	65	$1,500	$97,500.00
Total:			$326,100

24. Class Counsel has spent over 372 hours, for a lodestar of $326,100 litigating this

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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 Defendants;
b. filing the Complaint;
c. attending status conferences and meeting and conferring with Defendants regarding the case;
d. engaging in motion practice related to Defendant L&S Construction's Motion to Compel Arbitration;
e. engaging in extensive motion practice related to Defendant L&S Framing's Motion for Summary Judgement, and, in so doing, taking depositions of at least five individuals and engaging in written discovery;
f. meeting and conferring with Defendants 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 an expert consultant and Plaintiff to perform analyses of liability and exposure prior to attendance of the mediation in this matter;
i. reviewing policy documents from Defendants and researching applicable defenses;
j. preparation of a mediation brief and damages model for use at mediation;
k. attendance at mediation by all Parties and counsel;
l. communicating with Plaintiff, who frequently requested updates or other information regarding this matter;
m. engaging in settlement negotiations, followed by finalizing and fully executing the

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settlement agreement; and

n. preparing the instant Motion for PAGA Approval and supporting documents.

25. There were additional hours devoted by me (and by my colleagues) to this litigation that are not reflected in Plaintiff's counsel's request for attorneys' fees. We can provide complete, detailed billing records in the event the Court requests them, but would request the opportunity to redact attorney-client privileged information and any other privileged information.

26. Additional time will be required by Plaintiff's counsel to monitor the settlement, respond to inquiries, and oversee administration of the settlement and distribution of the funds. I estimate that my office will commit no less than 15-25 hours to those tasks, and have included those hours above.

27. As of the drafting of this Motion, my office has incurred $57,311.19 in expenses litigating this action. These expenses were reasonably necessary to the litigation and were actually incurred by my office. They should be reimbursed in full, up to the maximum amount allowed in the Settlement Agreement. Attached as **Exhibit 3** to this declaration is a breakdown of costs incurred by my office. Additionally, we anticipate incurring $300.00 in anticipated future costs for filing fees, messenger costs, appearance costs, and copying costs following the Court's Order re: Plaintiff's Motion to Approve PAGA Settlement, and request reimbursement of such as well. Accordingly, Plaintiff's counsel respectfully requests reimbursement of $57,611.19 in expenses, which should be reimbursed in full.

Plaintiff's Counsel's Experience

28. Wilshire Law Firm, has been selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms every year since 2020, and is comprised of over 100 attorneys and over 600 employees. Wilshire Law Firm is actively and continuously practicing in employment litigation, representing employees in both individual and class action matters, in both state and federal courts throughout California.

29. Wilshire Law Firm is qualified to handle this Litigation because its attorneys are experienced in litigating Labor Code violations in both individual and class action matters, as well as representative actions. Wilshire Law Firm has handled, and is currently handling, numerous

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wage-and-hour class action lawsuits, as well as class actions involving consumer rights and data privacy.

30. I am an eighth-year Associate Attorney at Wilshire Law Firm. I graduated from the University of California, Los Angeles in 2012 with a Bachelor of Arts in Political Science, and received my Juris Doctor from the University of California, Hastings College of the Law in 2016. During law school, I was a member of the executive board for the *Hastings Law Journal* and student mediator at the San Francisco Superior Court, Small Claims Division. I was admitted to practice law in the State of California in 2017, and have focused my legal work primarily on wage-and-hour litigation. In both 2024 and 2025, I was also selected by Super Lawyers as a "Southern California Rising Star." My current, contingent billing rate for this case is $775.00 per hour.

31. Since joining Wilshire Law Firm in 2020, I have litigated wage-and-hour actions in dozens of venues throughout California; and have led litigation and negotiation efforts that resulted in class and/or representative settlements in at least 75 cases. Below is a non-exhaustive list of cases where I was appointed as Class Counsel that resulted in fully-approved settlements:

a. *Colter v. Propulsion Controls Engineering*, San Diego County, Case No. 37-2020-00030682-CU-OE-CTL; Motion for Final Approval granted on October 28, 2022.

b. *Rodriguez v. Modesto Restaurant Group, LLC*, Stanislaus County, Case No. CV-21-000269; Motion for Final Approval granted on January 10, 2023.

c. *Kingsbury v. Caravan Foods II, Inc.*, Alameda County, Case No. RG21096357; Motion for Final Approval granted on January 31, 2023.

d. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No. MSC20-01916; Motion for Final Approval granted on March 3, 2023.

e. *Varez v. Valley Connection, LLC dba Carl's Jr.*, Merced County, Case No. 22CV-00985; Motion for Final Approval granted on April 27, 2023.

f. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987; Motion for Final Approval granted on May 3, 2023.

g. *Ortiz v. Tara Materials, Inc.*, San Diego County, Case No. 37-2021-0001473-CU-OE-CTL; Motion for Final Approval granted on May 30, 2023.

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h. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-2021-00293739-CU-OE-GDS; Motion for Final Approval granted on May 30, 2023.

i. *Garduno v. New Generation Framing, Inc., et al.*, Stanislaus County, Case No. CV-21-000544; Motion for Final Approval granted on August 11, 2023.

j. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No. 21CECG03817; Motion for Final Approval granted on August 21, 2023.

k. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No. CIVSB2118622; Motion for Final Approval granted on September 13, 2023.

l. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261; Motion for Final Approval granted on October 17, 2023.

m. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion for Final Approval granted on November 2, 2023.

n. *Gutierrez v. Next Level Door & Millwork, Inc.*, Riverside County, Case No. CVRI2105455; Motion for Final Approval granted on January 11, 2024.

o. *Lupercio v. Western CNC, Inc.*, San Diego County, Case No. 37-2021-00010314-CU-OE-CTL; Motion for Final Approval granted on January 26, 2024.

p. *Jackson, et al. v. Apple Valley Communications, Inc.*, *et al.*, San Bernardino County, Case No. CIVSB2124721; Motion for Final Approval granted on February 1, 2024.

q. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520; Motion for Final Approval granted on February 22, 2024.

r. *Canton, et al v. John B. Sanfilippo & Sons, Inc.*, Merced County, Case No. 22-CV-01145; Motion for Final Approval granted on March 15, 2024.

s. *Williams v. Total Longterm Care, Inc., et al.*, San Bernardino County, Case No. CIVSB2213347; Motion for Final Approval granted on April 2, 2024.

t. *Williams, et al v. Eisenhower Medical Center*, Riverside County, Case No. RIC1905151; Motion for Final Approval granted on April 18, 2024.

u. *Espinoza v. Delallo's Italian Foods, Inc.*, Butte County, Case No. 21CV02640; Motion for Final Approval granted on April 24, 2024.

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v. *Hernandez v. Facey Medical Foundation*, Los Angeles County, Case No. 20STCV41624; Motion for Final Approval granted on April 29, 2024.

w. *Meza v. Argus Management Company, LLC*, *et al.*, Los Angeles County, Case No. 21STCV31612; Motion for Final Approval granted on May 20, 2024.

x. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951; Motion for Final Approval granted on July 11, 2024.

y. *Abarca-Rueda, et al. v. Foley Family Wines, Inc., et al.*, Sonoma County, Case No. S-CV-268148; Motion for Final Approval granted on August 21, 2024.

z. *Aguilar v. American Pasteurization Company, Inc., et al.*, Sacramento County, Case No. 34-2021-00312027-CU-OE-GDS; Motion for Final Approval granted on September 3, 2024.

aa. *Hayes, et al. v. Gonzales Park, LLC, et al.*, Butte County, Case No. 21CV02456; Motion for Final Approval granted on May 1, 2024.

bb. *Hernandez v. Facey Medical Foundation Corp., et al.*, Los Angeles County, Case No. 20STCV41624; Motion for Final Approval granted on April 29, 2024.

cc. *Arias v. The Shyft Group GTB, LLC, et al.,* Los Angeles County, Case No.22STCV37390; Motion for Final Approval granted on December 3, 2024.

dd. *Hernandez v. KW California, et al.*, Kern County, Case No. BCV-23-100346; Motion for Final Approval Granted on December 4, 2024.

ee. *Barajas Maya v. United Facilities Group, Inc., et al.*, Santa Clara County, Case No. 22CV397353; Motion for Final Approval granted on November 22, 2024.

32. Daniel J. Kramer is an eighth-year Associate Attorney at Wilshire Law Firm. He was admitted to practice law in the State of California, and the United States District Court for the Central, Eastern, and Northern Districts of California. He graduated from Stanford University with a Bachelor of Arts in History and Political Science, and received his Juris Doctor from Loyola Law School, Los Angeles in 2016. During law school, he was a research editor for the Loyola of Los Angeles International and Comparative Law Review. Before joining Wilshire Law Firm, he practiced briefly at a firm that focused on municipal law and code enforcement, and then moved

to a respected plaintiff-side firm to practice wage-and-hour class action litigation. He has several years of work experience litigating wage-and-hour class actions. His current, contingent billing rate for this case is $750.00 per hour.

33. Bradford Smith is a Law and Motion Attorney at Wilshire Law Firm. He graduated from the University of California, Irvine with a Bachelor of Arts in History, and received his Juris Doctor from Loyola Law School, Los Angeles, in 2022. He was admitted to practice law in the State of California in 2022. Before joining Wilshire Law Firm, he worked at a law firm specializing in insurance defense litigation. His focus now is on wage-and-hour class action litigation. His current, contingent billing rate for this case is $575.00 per hour.

34. Justin F. Marquez is a former Senior Partner at Wilshire Law Firm, who was actively involved in the litigation and resolution of this matter from its inception through December 2024. He graduated from University of California, Los Angeles's College Honors Program in 2004, with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi Beta Kappa*. His practice focused primarily on advocating for the rights of consumers and employees in class action and appellate litigation. He received numerous awards for his legal work. From 2017 to 2020, Super Lawyers selected him as a "Southern California Rising Star;" from 2022 to 2025, Super Lawyers then selected him as a "Southern California Super Lawyer"; from 2023 to 2025, he was selected as one of the "Best Lawyers in America;" and in 2024, he and his colleagues at Wilshire Law Firm received a CLAY (California Lawyer Attorneys of the Year) award for their work on a false advertising case against Apple which ultimately resulted in a $25 million settlement. He also was selected to speak at multiple CELA (California Employment Lawyers Association) conferences throughout his career. In 2019, he spoke on the topic of manageability of class actions at CELA's 2019 Advanced Wage & Hour Seminar; and in 2024, he spoke on the topic of dealings with multiple cases against the same defendant at CELA's 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead attorney in negotiating class action settlements worth over $10 million in gross recovery to class members for each year since 2020; including over $37.5 million in 2022, and over $75 million in 2023. His contingent billing rate was $1,500 per hour at the time he performed his services in this litigation, which has been approved by many California courts:

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

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

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

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

e. On February 1, 2024, the Honorable Joseph T. Ortiz of the San Bernardino Court approved his $1,500 hourly rate when he granted final approval of the class action settlement in *Jackson, et al. v. Apple Valley Communications, Inc.*, et al., Case No. CIVSB2124721.

f. On May 7, 2024, the Honorable Elaine Lu of the Los Angeles County Superior Court approved his $1,500 hourly rate when she granted final approval of the class action settlement in *Meza v. Argus Management Company, LLC, et al.,* Case No. 21STCV31612.

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

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a. In the 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the real market rates of Los Angeles area attorneys, the rate for the third quartile was $1,045 per hour for partners and $855 for associates. Likewise, the third quartile rates charged by 183 Los Angeles partners with "21 or more years of experience" and "Fewer than 21 years," in 2022 were $1,133 per hour for 21 or more years, and $1,075 for attorneys with fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate Report is attached hereto as **Exhibit 4**.

b. In an article entitled "Big Law Rates Topping $2,000 Leave Value 'In Eye of Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author describes how Big Law firms have crossed the $2,000-per hour rate. The article also notes that law firm rates have been increasing by just under 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 5.**

36. Plaintiff's counsel elected to bear the contingency risk of this litigation for the benefit of the PAGA Employees, as well as for the State of California (who elected not to take the case after receiving the PAGA notice).

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

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

39. Because most individuals cannot afford to pay for representation in litigation on an hourly basis, Wilshire Law Firm represents all of its employment law clients on a contingency fee

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basis. Pursuant to this arrangement, we are not compensated for our time unless we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm is taking the risk that we will not be reimbursed for our time unless our client settles or wins their case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, we receive less than the amount of attorneys' fees negotiated with the defendants. It is therefore essential that we recover our requested fees when we settle cases if we are to remain in practice, so as to be able to continue representing other individuals in civil rights employment disputes.

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

41. The Parties propose using Phoenix Settlement Administrators to administer the Settlement. The estimated Settlement Administrator costs in the amount of $10.000.00 are reasonable, given the tasks to be performed by the Settlement Administrator; including, but not limited to, the following duties: mailing and re-mailing (if necessary) checks to approximately 1,600 PAGA Employees and the LWDA; establishing a Qualified Settlement Fund; preparing and submitting to PAGA Employees and government entities all appropriate tax filings and forms; distributing the PAGA Representative Service Payment and attorneys' fees and costs; keeping the Parties timely apprised of the performance of all obligations under the Agreement; and voiding uncashed or undeliverable checks, and to issue those funds to the California Controller's Unclaimed Property Fund. Plaintiff respectfully requests that the Court approve the requested costs. A true and correct copy of Phoenix Settlement Administrator's estimate for administration costs is attached to this Declaration as **Exhibit 6**.

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WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010-1137

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

Executed on January 7, 2025, at Los Angeles, California.

Benjamin H. Haber

WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010-1137

Exhibit 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Gerber Hernandez ("Plaintiff"), on the one hand; and defendants L&S Construction Services, Inc. ("L&S Construction") and L&S Framing, Inc., ("L&S Framing", and together with L&S Construction, "Defendants"), on the other hand. The Agreement refers to Plaintiff and Defendants collectively as "Parties," or individually as "Party."

1. <u>DEFINITIONS</u>.

1.1. "Action" means the Plaintiff's lawsuit seeking penalties pursuant to the Private Attorneys General Act, California Labor Code sections 2698 et seq. ("PAGA") for alleged wage and hour violations against Defendants captioned *Gerber Hernandez v. L&S Construction Services, Inc., et al.,* Case No. S-CV-0048880, initiated on August 4, 2022, and pending in Superior Court of the State of California, County of Placer.

1.2. "Administrator" means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. "Aggrieved Employee" means all persons employed by either L&S Construction or L&S Framing in California and classified as a non-exempt or hourly-paid employee during the PAGA Period.

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

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

1.7. "Court" means the Superior Court of California, County of Placer.

1.8. "Defense Counsel" means Jimmie E. Johnson of Leone Alberts & Duus APC for Defendant L&S Construction and Adrian Hoppes of Apollo Legal Group for Defendant L&S Framing.

1.9. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the

Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment assuming no appeal is filed; or (b) if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for writs of certiorari) resulting in final judicial approval of this Agreement.

1.10. "Gross Settlement Amount" means $1,130,000.00 which is the total, combined amount Defendants agree to pay under the Settlement, except as provided in Paragraph 8 below. Only the Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Representative Service Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

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

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

1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled under Government Code section 12813 and Labor Code section 2699, subdivision (a).

1.14. "LWDA PAGA Payment" means the seventy-five percent (75%) pro rata share of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i), as that statutory provision read in Stats. 2016, ch. 31, section 189 (SB 836).

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

1.16. "PAGA Counsel" means Justin F. Marquez, Benjamin H. Haber, and Daniel J. Kramer of Wilshire Law Firm, PLC, the attorneys representing the Plaintiff in the Action.

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

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

1.19. "PAGA Period" means the period from May 31, 2021 to September 3, 2024.

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

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

1.22. "PAGA Notice" means Plaintiff's May 31, 2022 letter to Defendants and the LWDA, providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.23. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated as twenty-five percent (25%) to the Aggrieved Employees, and seventy-five percent (75%) to LWDA in settlement of the PAGA claims.

1.24. "Plaintiff" means Gerber Hernandez, the named plaintiff in the Action.

1.25. "Approval Order" means the Court order granting approval of this Agreement.

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

1.27. "Released Parties" means: Defendants and each of their respective former and present directors, officers, shareholders, owners, employees, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

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

1.29. "Defendants" means named Defendants L&S Construction Services, Inc. and L&S Framing, Inc.

2. **RECITALS**.

2.1. On August 4, 2022, Plaintiff commenced this Action by filing a Complaint alleging a cause of action against Defendants for civil penalties under the Private Attorneys General Act ("PAGA") for Defendants' purported failure to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide legally compliant meal periods, failure to authorize and permit rest periods, failure to timely pay wages twice per month, failure to timely pay final wages at termination, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate itemized wage statements, and failure to indemnify for necessary business expenditures. The Complaint is the operative complaint in the Action (the "Operative Complaint.") Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.2. The Operative Complaint further alleged that L&S Construction was either the alter ego of L&S Framing, and vice versa; or a single enterprise. Defendants also deny these allegations.

2.3. Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

2.4. On August 19, 2024, the Parties participated in an all-day mediation presided over by Mark LeHocky, Esq., and engaged in extensive follow-up negotiations.

2.5. On September 3, 2024, the Parties agreed to a settlement in principle, which led to this Agreement to settle the Action.

2.6. Prior to mediation, Plaintiff engaged in limited depositions. Plaintiff also obtained, through informal discovery, a sampling of time and pay records for the Aggrieved Employees, as well as documents that described each Defendants' policies and procedures during the PAGA Period.

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

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendants promise to collectively pay $1,130,000.00, and no more, as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

3.2.1. To PAGA Representative Plaintiff: PAGA Representative Service Award to Plaintiff of not more than $10,000.00. Defendants will not oppose Plaintiff's request for a PAGA Representative Service Award that does not exceed this amount. If the Court approves a PAGA Representative Service Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the PAGA Representative Service Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the PAGA Representative Service Award.

3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than thirty-three and one-third percent (33 1/3%), which is currently estimated to be three hundred seventy-six thousand six hundred sixty-six dollars and sixty-seven cents ($376,666.67), and PAGA Counsel Litigation Expenses Payment of not more than sixty thousand dollars and zero cents ($60,000.00). Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed ten thousand dollars and zero cents ($10,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than ten thousand dollars and zero cents ($10,000.00), the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount to be paid from the Net Settlement Amount, with twenty-five percent (25%) allocated to the Individual PAGA Payments, and seventy-five percent (75%) allocated to the LWDA PAGA Payment.

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

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are collectively approximately 1,600 employees that worked for Defendant L&S Construction and/or Defendant L&S Framing. The Aggrieved Employees worked approximately 93,000 PAGA Pay Periods during the PAGA Period.

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

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

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

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

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail the check to the USPS forwarding address provided, or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered.

4.4.3. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.4. For any Aggrieved Employee who's Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to a Court-approved nonprofit organization or foundation consistent with Code of Civil Procedures Section 384, subdivision (b) ("Cy Pres Recipient"). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient, Legal Aid at Work.

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

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

5.1. Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:
A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice, but not limited to, any claims for civil penalties based on Defendants' alleged failure to pay minimum, straight time, and overtime wages, failure to provide legally compliant meal periods, failure to authorize and permit rest periods, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, failure to indemnify employees for expenditure, and unfair business practices.

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

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

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

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

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

7. SETTLEMENT ADMINISTRATION.

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

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

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

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

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

Based on its records, Defendants estimate that, as of the date of this Agreement, there are approximately 93,000 Pay Periods during the PAGA Period. In the event that the actual number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period increases by more than ten percent (10%) (or 9,300 PAGA Pay Periods), Defendants shall increase the Gross Settlement Amount on a proportional basis in excess of ten percent (10%) – i.e., if there is an eleven percent (11%) increase in the number of PAGA Pay Periods, Defendants will increase the Gross Settlement Amount by one percent (1%). Defendants will make their respective contributions within thirty (30) days of receiving notice from the Administrator that that the actual number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period is more than ten percent (10%) larger than the estimated 93,000 Pay Periods.

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

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

10. ADDITIONAL PROVISIONS.

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

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

10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this

Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

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

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

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

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

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

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

10.11. Confidentiality. To the extent permitted by law, the Parties and their respective legal counsel shall keep the existence, terms and conditions of this Agreement confidential, and shall not disclose the fact of its existence to any person or entity except as necessary to implement the Settlement. In response to any inquiry concerning the matters released herein, the Parties shall respond only by stating that the matter has been resolved unless otherwise necessary to implement the Settlement.

10.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the

PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to the Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

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

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

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

To Plaintiff:

Justin F. Marquez (justin@wilshirelawfirm.com)
Benjamin H. Haber (benjamin@wilshirelawfirm.com)
Daniel J. Kramer (dkramer@wilshirelawfirm.com)
Wilshire Law Firm, PLC
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010
Telephone: (213) 784-3830
Facsimile: (213) 381-9989

To Defendant L&S Construction Services, Inc.:

Jimme E. Johnson (jjohnson@leonealberts.com)
Leone Alberts & Duus
1390 Willow Pass Rd., Suite 700
Concord, CA 94520
Telephone: (925) 974-8600
Facsimile: (925) 975-9601

To Defendant L&S Framing, Inc.:

Adrian M. Hoppes, Esq. (adrian@apollolegalgroup.com)
2200 East Bidwell Street,
Folsom, California 95630, United States
Telephone: (916) 908-0714

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

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed except to effectuate the terms of this Agreement. The Parties further agree pursuant to Code of Civil Procedure section 583.330, that should the Court reject this Agreement, the time to bring a case to trial under Code of Civil Procedure section 583.310 shall be extended for the entire period of time between the date all parties have executed this Agreement and the date the Court rejected it.

Dated: 10/25/2024

DocuSigned by:
40DDE4351E94493...
Gerber Hernandez
Plaintiff

Dated: October 25, 2024

WILSHIRE LAW FIRM, PLC
Justin Marquez
Benjamin Haber
Daniel Kramer

Attorneys for Plaintiff

Dated:____________________

By:____________________
Title:____________________
L&S CONSTRUCTION SERVICES, INC.

Adrian M. Hoppes, Esq. (adrian@apollolegalgroup.com)
2200 East Bidwell Street,
Folsom, California 95630, United States
Telephone: (916) 908-0714

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

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed except to effectuate the terms of this Agreement. The Parties further agree pursuant to Code of Civil Procedure section 583.330, that should the Court reject this Agreement, the time to bring a case to trial under Code of Civil Procedure section 583.310 shall be extended for the entire period of time between the date all parties have executed this Agreement and the date the Court rejected it.

Dated:____________________

Gerber Hernandez
Plaintiff

Dated:____________________

WILSHIRE LAW FIRM, PLC
Justin Marquez
Benjamin Haber
Daniel Kramer

Attorneys for Plaintiff

Dated: 10/14/24

By: JON MIRANDA
Title: PRESIDENT
L&S CONSTRUCTION SERVICES, INC.

Dated: 10/28/2024

LEONE ALBERTS & DUUS APC
Brian A. Duus
Jimmie E. Johnson

Attorneys for Defendant L&S CONSTRUCTION SERVICES, INC.

Dated: 10/19/24

Jodi LaVoie
Jodi LaVoie (Oct 23, 2024 15:30 PDT)
By: Jodi LaVoie
Title: CFO
L&S FRAMING, INC.

Dated: 10-18-2024

Adrian M Hoppes
APOLLO LEGAL GROUP
Adrian Hoppes

Attorneys for Defendant L&S FRAMING, INC.

Exhibit 2

[Administrator's Letterhead]

To: «FirstName» «LastName»
«Address1» «Address2»
«City» «State» «Zip»

Enclosed please find a check in the amount of [INDIVIDUAL SETTLEMENT SHARE].

You are receiving this check in connection with a claim brought by a former employee ("Plaintiff") of L&S Construction Services, Inc. ("LSCS") against both LSCS and L&S Framing, Inc. ("LSF") (collectively, "Defendants"). The claim was filed in Placer Superior Court under Case No. S-CV-0048880 (the "Action").

Plaintiff's claim against Defendants is for civil penalties pursuant to the California Private Attorneys General Act of 2004 ("PAGA"), a law that allows Plaintiff to attempt to stand in the shoes of the government and to seek penalties on the government's behalf and on behalf of those employees who Plaintiff claims were "aggrieved" by Defendants' alleged unlawful conduct. Specifically, Plaintiff alleges that Defendants failed to comply with wage-and-hour laws as to non-exempt employees who worked for them.

Defendants deny these claims and maintain that they fully complied with all applicable wage-and-hour laws. Nevertheless, to avoid further costs and uncertainty from further litigation, Defendants agreed to settle the matter. The settlement covers Defendants and their parent companies, subsidiaries, divisions, partnerships, or affiliates, and each of their respective present and former employees, officers, directors, partners, members, agents, attorneys, insurers, administrators, representatives, shareholders, predecessors, successors, and assigns (all of whom are referred to here as the "Released Parties"). The Court has approved the settlement and release of claims described below. By settling this claim, Defendants and the Released Parties are not admitting they have done anything wrong, and they deny that they owe any penalties to the government or to you.

On January __, 2025, the settlement was approved by the Court. A portion of the settlement is being paid to the government and a portion is being paid to each non-exempt employee who worked for either LSCS and/or LSF in California from May 31, 2021 to September 3, 2024 (the "Aggrieved Employees"). You are receiving a portion of the settlement because Defendants' records indicate that you worked for one or both of them from May 31, 2021 to September 3, 2024 (the "Release Period") as a non-exempt employee.

You will not be retaliated against for cashing the check. It is entirely up to you if you cash your check or not. Checks that are not cashed within 180 days of issuance shall be sent to the California State Controller's Office. Regardless of what you do with the check issued to you, by law and Court order, you have released the Released Parties from the released claims described below.

One hundred percent (100%) of your payment under this settlement will be considered penalties, and will be reported to the IRS and state tax authorities.

This settlement forever bars you and other Aggrieved Employees, for the period spanning May 31, 2021 to September 3, 2024, from pursuing any legal claims and factual or legal theories/allegations that were pursued in the operative complaint in the Action, including, but not limited to, all of the following claims for civil penalties under PAGA: (a) failure to pay all wages owed; (b) failure to authorize and permit meal periods; (c) failure to authorize and permit rest periods; (d) failure to pay wages timely during employment; (e) failure to maintain accurate, itemized payroll records; (f) failure to pay all wages earned and unpaid at separation; (g) failure to furnish accurate itemized wage statements; (h) failure to indemnify business expenditures; and (i) any other claims or penalties under the wage and hour laws pleaded in the Action or primary rights pursued in the Action.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement.

If you have any questions, you may call or write [insert], at the following phone number or address: [insert address and telephone number for Administrator's contact person]

Exhibit 3

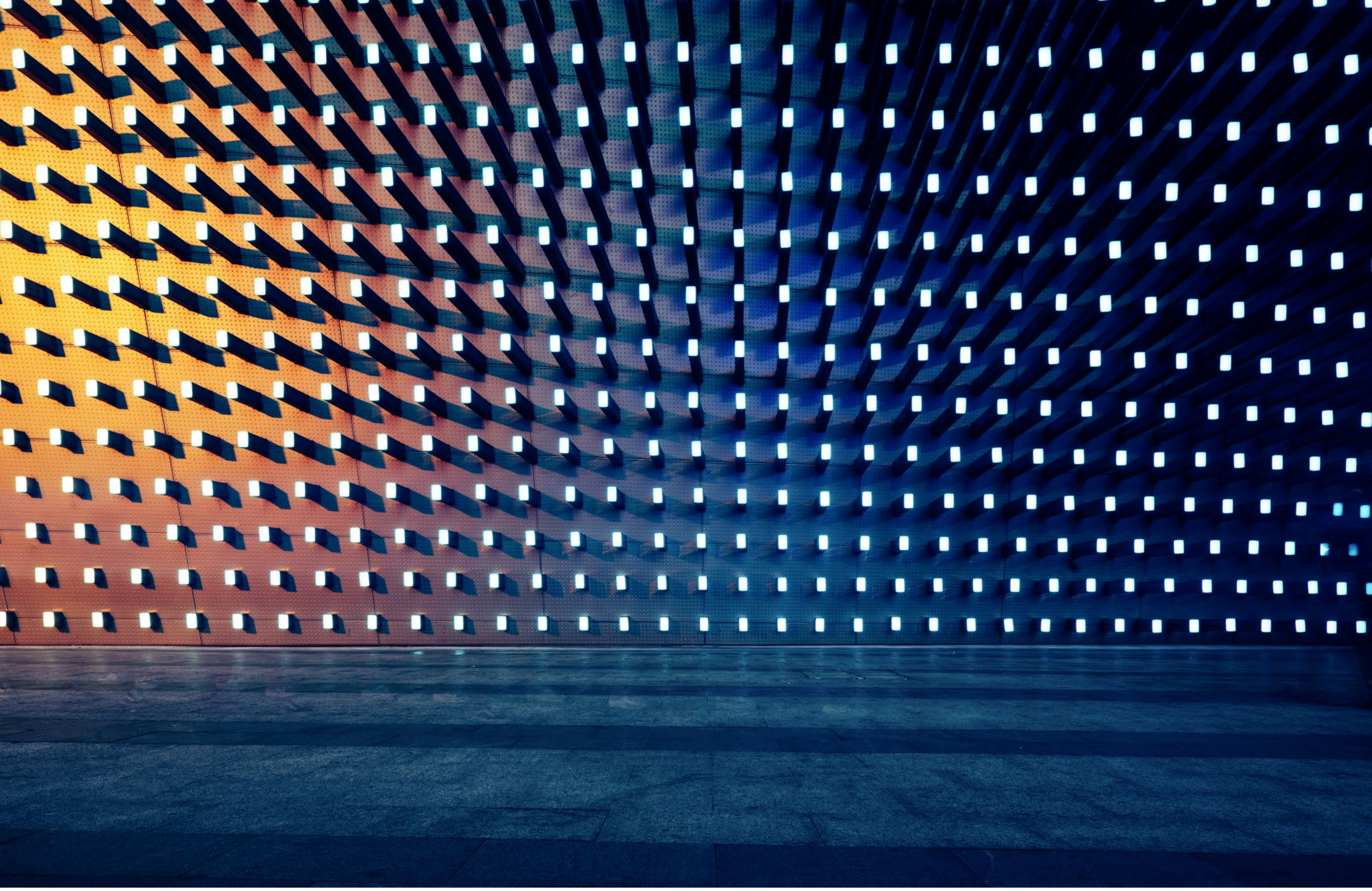
Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

1/7/2024
Accrual Basis

Type	Date	Num	Memo	Amount	Balance
COS					
Mediation Fees					
	6/17/2024	24-3497-MLH-01	Mediation Fee	11,145.00	11,145.00
	8/26/2024	24-3497-MLH-04	Mediation Fee	6,000.00	17,145.00
	9/3/2024	24-3497-MLH-07	Mediation Fee	3,000.00	20,145.00
Total MEDIATION FEES				20,145.00	20,145.00
Expert Fees					
	8/22/2024	12621	Expert Fees	1,760.00	1,760.00
Total EXPERT FEES				1,760.00	1,760.00
Legal Expenses					
	6/1/2022		PAGA Fee	75.00	75.00
	6/10/2022	846472397	Legal Research	24.43	99.43
	9/6/2022	846968675	Legal Research	646.25	745.68
	9/6/2022	846968675	Legal Research	605.88	1,351.56
	9/6/2022	846968675	Legal Research	65.46	1,417.02
	10/4/2022	847129568	Legal Research	88.53	1,505.55
	10/4/2022	847129568	Legal Research	41.55	1,547.10
	12/6/2022	847456782	Legal Research	34.46	1,581.56
	12/4/2023	849369962	Legal Research	64.29	1,645.85
	12/21/2023	34369	Court Reporting Services	6,035.47	7,681.32
	12/29/2023	34493	Court Reporting Services	6,328.30	14,009.62
	1/16/2024	34978	Court Reporting Services	5,323.42	19,333.04
	1/17/2024	35043	Court Reporting Services	2,818.90	22,151.94
	2/6/2024	849678723	Legal Research	342.21	22,494.15
	3/6/2024	36395	Court Reporting Services	1,592.05	24,086.20
	3/8/2024	849827195	Legal Research	954.39	25,040.59
	4/8/2024	0849974595-1	Legal Research	22.97	25,063.56
	4/8/2024	0849974595-1	Legal Research	159.13	25,222.69
	8/15/2024	INV114519-01-01	Investigation Services	2,210.00	27,432.69
	9/3/2024	850711723	Legal Research	86.57	27,519.26
	10/7/2024	34369 (2)	Court Reporting Services	763.45	28,282.71
	10/7/2024	34493 (2)	Court Reporting Services	907.40	29,190.11
	12/6/2024	34978 (2)	Court Reporting Services	411.41	29,601.52
	12/6/2024	35043 (2)	Court Reporting Services	217.85	29,819.37
	12/6/2024	36395 (2)	Court Reporting Services	123.04	29,942.41
Total LEGAL EXPENSES				29,942.41	29,942.41
Process Service Fees					
	6/3/2022		Attorney Services	462.71	462.71
	6/6/2022	48170	Attorney Services	1,235.00	1,697.71
	6/9/2022	48292	Attorney Services	147.40	1,845.11
	6/9/2022	48293	Attorney Services	67.40	1,912.51
	6/9/2022	48294	Attorney Services	275.00	2,187.51
	6/13/2022		Attorney Services	45.00	2,232.51
	6/13/2022	48334	Attorney Services	45.00	2,277.51
	6/16/2022		Attorney Services	15.91	2,293.42
	8/4/2022		Attorney Services	15.91	2,309.33
	8/5/2022		Attorney Services	462.71	2,772.04
	8/10/2022		Attorney Services	15.91	2,787.95
	8/10/2022		Attorney Services	71.00	2,858.95
	8/17/2022		Attorney Services	(66.00)	2,792.95
	8/17/2022	49946	Attorney Services	138.00	2,930.95
	8/17/2022	49947	Attorney Services	58.00	2,988.95
	8/18/2022	50085	Attorney Services	85.00	3,073.95
	8/18/2022	49972	Attorney Services	45.00	3,118.95
	8/25/2022		Attorney Services	15.91	3,134.86
	9/1/2022		Attorney Services	71.00	3,205.86
	9/14/2022		Attorney Services	15.91	3,221.77
	9/15/2022		Attorney Services	15.91	3,237.68
	9/19/2022		Attorney Services	71.00	3,308.68
	9/19/2022		Attorney Services	71.00	3,379.68
	10/6/2022		Attorney Services	13.90	3,393.58
	11/4/2022		Attorney Services	15.91	3,409.49
	11/7/2022		Attorney Services	15.91	3,425.40

	11/15/2022		Attorney Services	101.00	3,526.40
	11/17/2022		Attorney Services	15.91	3,542.31
	11/21/2022		Attorney Services	71.00	3,613.31
	3/17/2023		Attorney Services	16.37	3,629.68
	3/22/2023		Attorney Services	36.96	3,666.64
	3/29/2023		Attorney Services	27.50	3,694.14
	4/3/2023		Attorney Services	16.37	3,710.51
	4/5/2023		Attorney Services	35.93	3,746.44
	4/25/2023		Attorney Services	16.37	3,762.81
	5/16/2023		Attorney Services	14.36	3,777.17
	6/2/2023		Attorney Services	36.96	3,814.13
	6/5/2023		Attorney Services	27.50	3,841.63
	6/8/2023	60413	Attorney Services	109.95	3,951.58
	6/21/2023	20578743	Attorney Services	16.37	3,967.95
	8/7/2023		Attorney Services	27.50	3,995.45
	8/18/2023	48338	Attorney Services	16.37	4,011.82
	8/21/2023		Attorney Services	27.50	4,039.32
	8/31/2023	20952694	Attorney Services	16.37	4,055.69
	11/6/2023	21530504	Attorney Services	16.37	4,072.06
	11/13/2023		Attorney Services	27.50	4,099.56
	1/2/2024	21894097	Attorney Services	35.93	4,135.49
	1/16/2024	22014204	Attorney Services	18.43	4,153.92
	1/23/2024	22033569	Attorney Services	37.99	4,191.91
	1/29/2024		Attorney Services	27.50	4,219.41
	2/6/2024	22171978	Attorney Services	17.40	4,236.81
	2/20/2024	22260854	Attorney Services	17.40	4,254.21
	2/21/2024	22276434	Attorney Services	17.40	4,271.61
	2/22/2024		Attorney Services	57.50	4,329.11
	4/8/2024	2024-WLF 1	Attorney Services	98.88	4,427.99
	4/27/2024	22777893	Attorney Services	18.43	4,446.42
	5/9/2024		Attorney Services	27.50	4,473.92
	6/6/2024	22033569(2)	Attorney Services	1.00	4,474.92
	6/6/2024	22171978(2)	Attorney Services	1.00	4,475.92
	6/6/2024	22260854(2)	Attorney Services	1.00	4,476.92
	6/6/2024	22276434(2)	Attorney Services	1.00	4,477.92
	8/30/2024	23595452	Attorney Services	18.43	4,496.35
	9/9/2024		Attorney Services	27.50	4,523.85
Total PROCESS SERVICE FEES				4,523.85	4,523.85
Other Costs					
	12/28/2021		Case Administration Fee for In-House Services	500.00	500.00
	1/3/2022	E-761435	Postage Cost	6.13	506.13
	1/3/2022	E-761433	Postage Cost	6.13	512.26
	3/4/2022	E-841298	Postage Cost	6.13	518.39
	6/1/2022	E-1470636	Printing Cost	18.00	536.39
	6/1/2022	E-1100548	Postage Cost	6.33	542.72
	6/1/2022	E-1100544	Postage Cost	6.33	549.05
	6/1/2022	E-1100534	Postage Cost	6.33	555.38
	6/1/2022	E-1100532	Postage Cost	6.33	561.71
	6/1/2022	E-1100528	Postage Cost	6.33	568.04
	6/1/2022	E-1100527	Postage Cost	6.33	574.37
	6/14/2022	E-2984404	Printing Cost	4.50	578.87
	8/15/2022	7-849-75778	Postage Cost	52.47	631.34
	8/15/2022	7-849-75778	Postage Cost	33.58	664.92
	8/15/2022	7-849-75778	Postage Cost	56.73	721.65
	11/3/2022	E-2004048	Printing Cost	49.00	770.65
	11/11/2022	7-944-24088	Postage Cost	49.88	820.53
	11/15/2022	E-2983782	Printing Cost	3.75	824.28
	3/17/2023	E-3041205	Postage Cost	0.84	825.12
	3/17/2023	E-3041206	Postage Cost	0.84	825.96
	3/17/2023	E-3039415	Printing Cost	14.50	840.46
	7/27/2023	E-3152192	Postage Cost	1.89	842.35
	7/27/2023	E-3152178	Postage Cost	1.89	844.24
	2/3/2024	E-3190741	Postage Cost	1.89	846.13
	4/12/2024	E-3191971	Postage Cost	0.64	846.77
	4/15/2024	E-3195687	Postage Cost	1.89	848.66
	4/30/2024	8-481-36677	Postage Cost	111.27	959.93
Total OTHER COSTS				959.93	959.93
TOTAL				**57,331.19**	**57,331.19**

Exhibit 4



ELM Solutions

2022 Real Rate Report®

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

Wolters Kluwer

wolterskluwer.com

Table of Contents - 2022 Real Rate Report

Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors[1] that drive rates[2]:

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

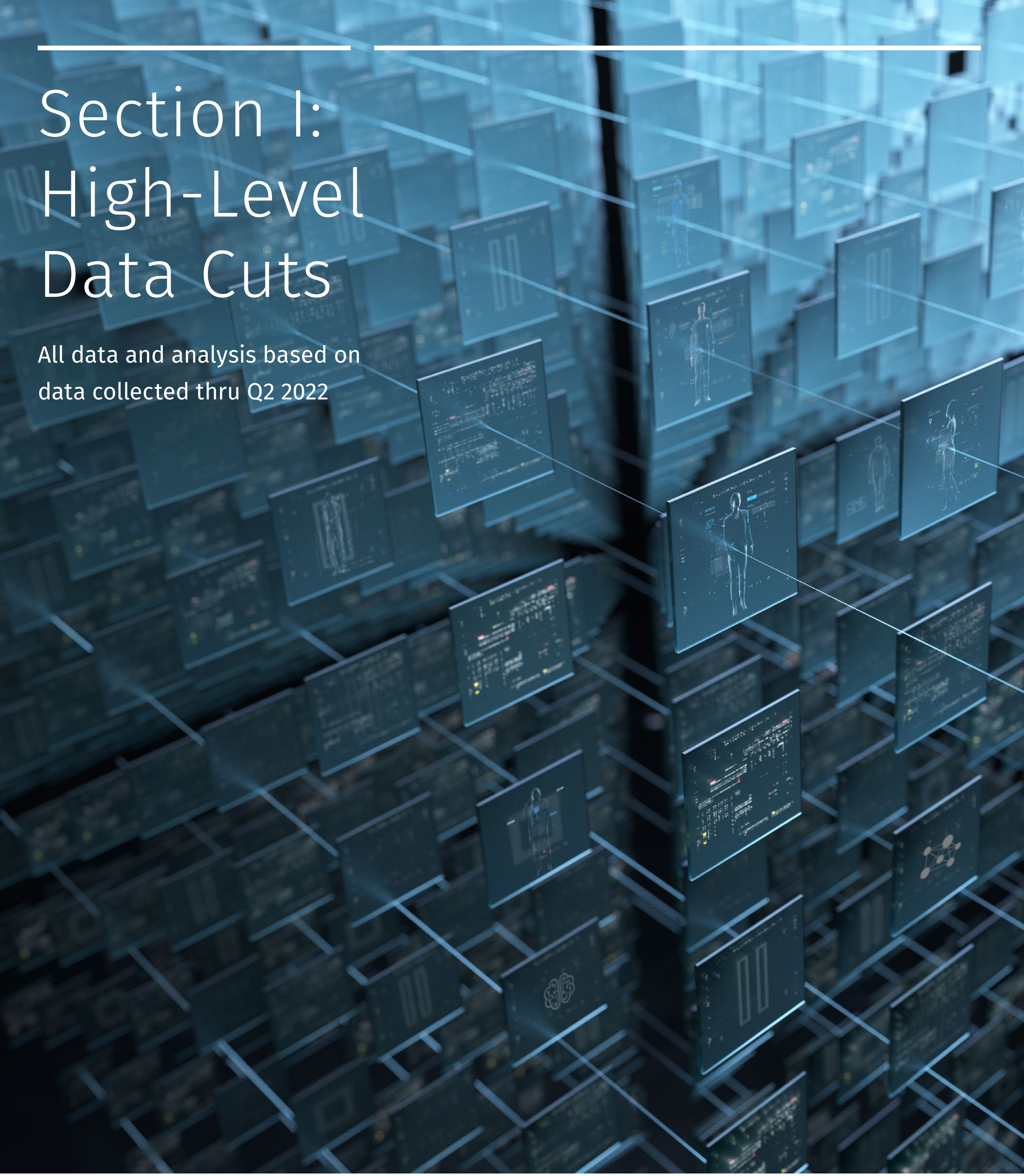
Litigation complexity - The cost of representation will be higher if the case is particularly complex or time-consuming; for example, if there are a large number of documents to review, many witnesses to depose, and numerous procedural steps, the case is likely to cost more (regardless of other factors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

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

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

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

1 **David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from:** https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html
2 **Source: 2018 RRR.** Factor order validated in multiple analyses since 2010



Section I: High-Level Data Cuts

All data and analysis based on data collected thru Q2 2022

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

2022 - Real Rates for Associate and Partner — **Trend Analysis - Mean**

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

2022 - Real Rates for Associate — **Trend Analysis - Mean**

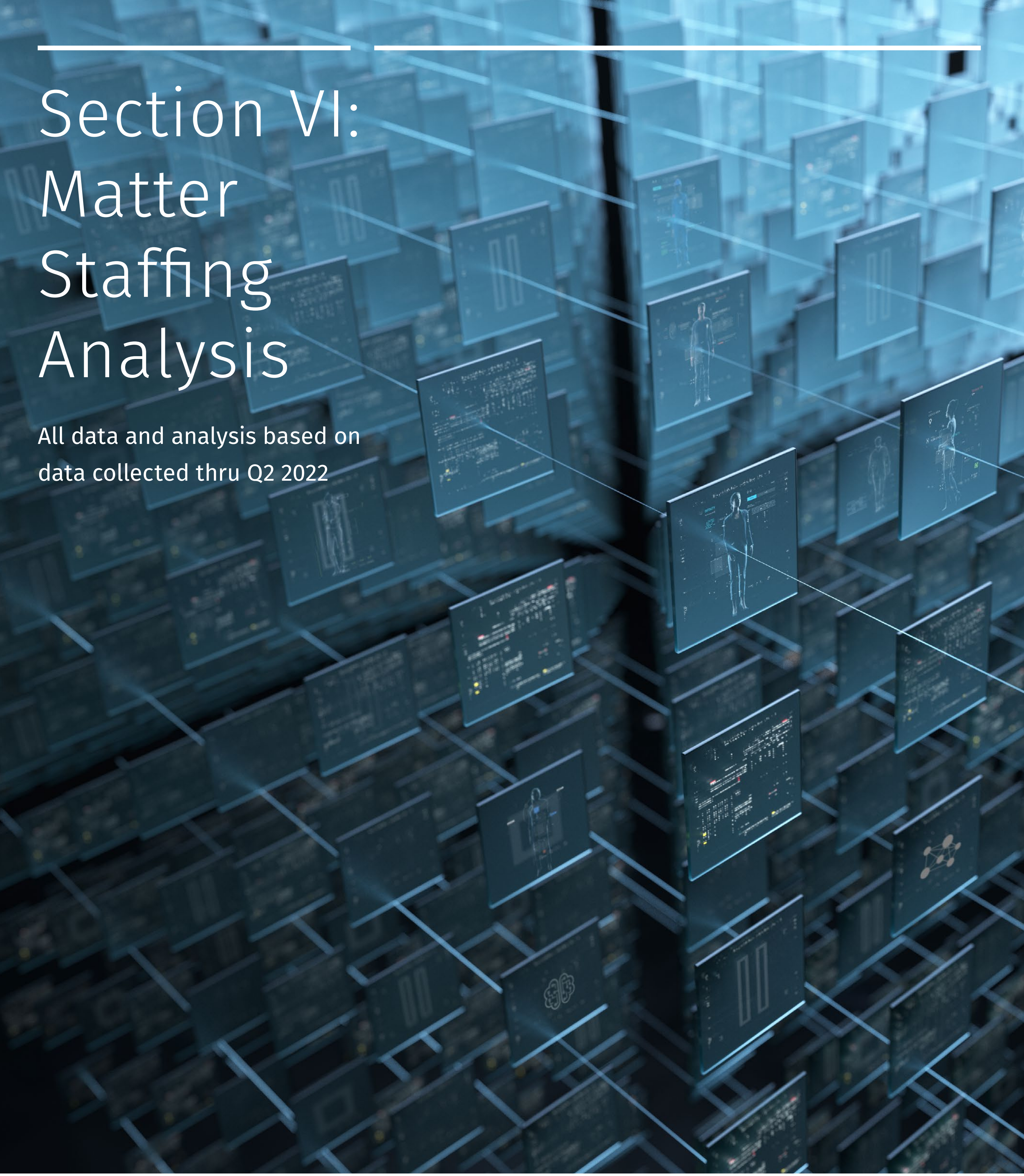
City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	3 to Fewer Than 7 Years	15	$270	$325	$360	$318	$295	$283
	7 or More Years	28	$292	$334	$391	$333	$312	$302
Los Angeles CA	Fewer Than 3 Years	63	$429	$595	$654	$556	$524	$488
	3 to Fewer Than 7 Years	144	$486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

Section I: High-Level Data Cuts

Cities
By Years of Experience

2022 - Real Rates for Partner | **Trend Analysis - Mean**

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



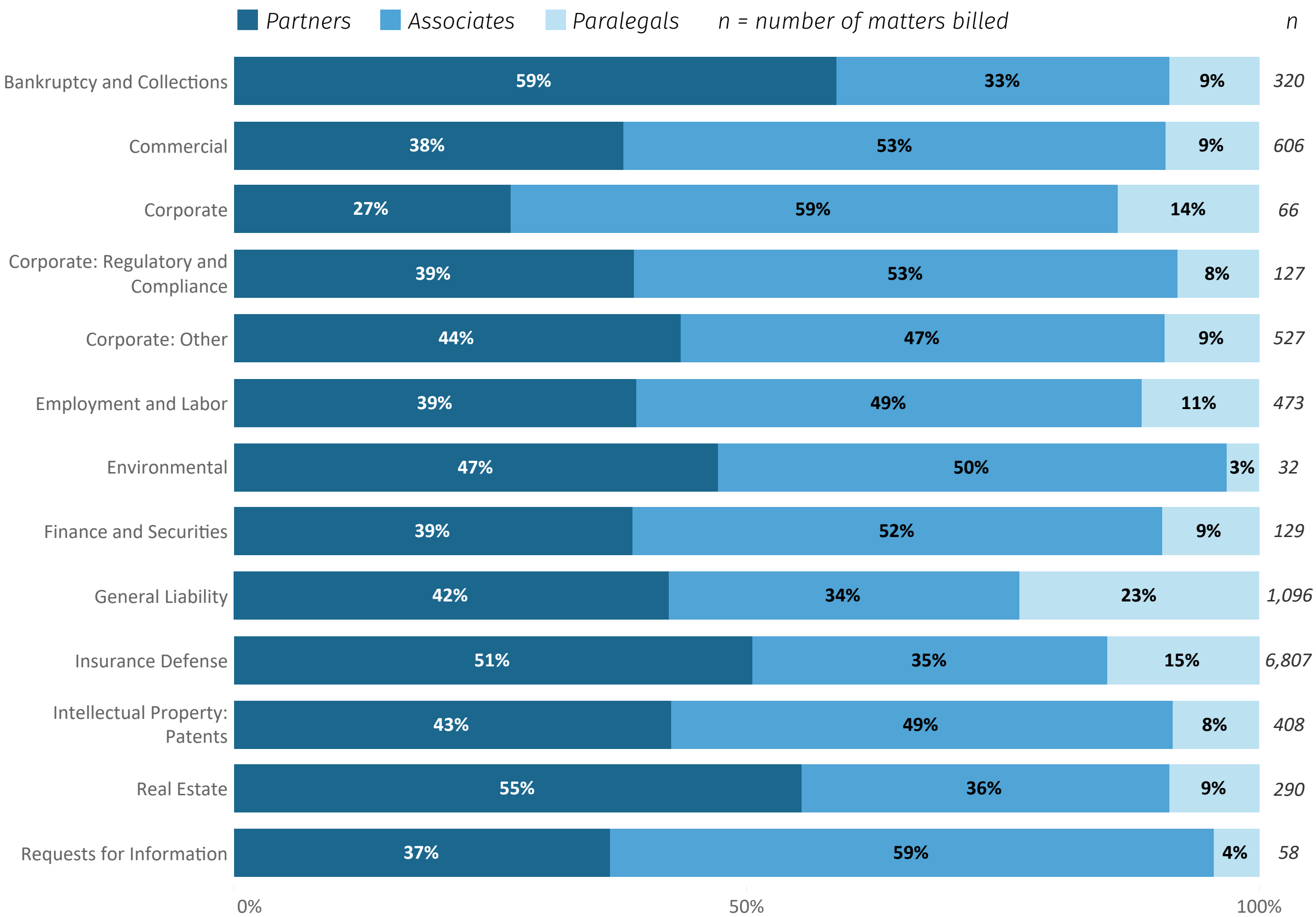
Section VI: Matter Staffing Analysis

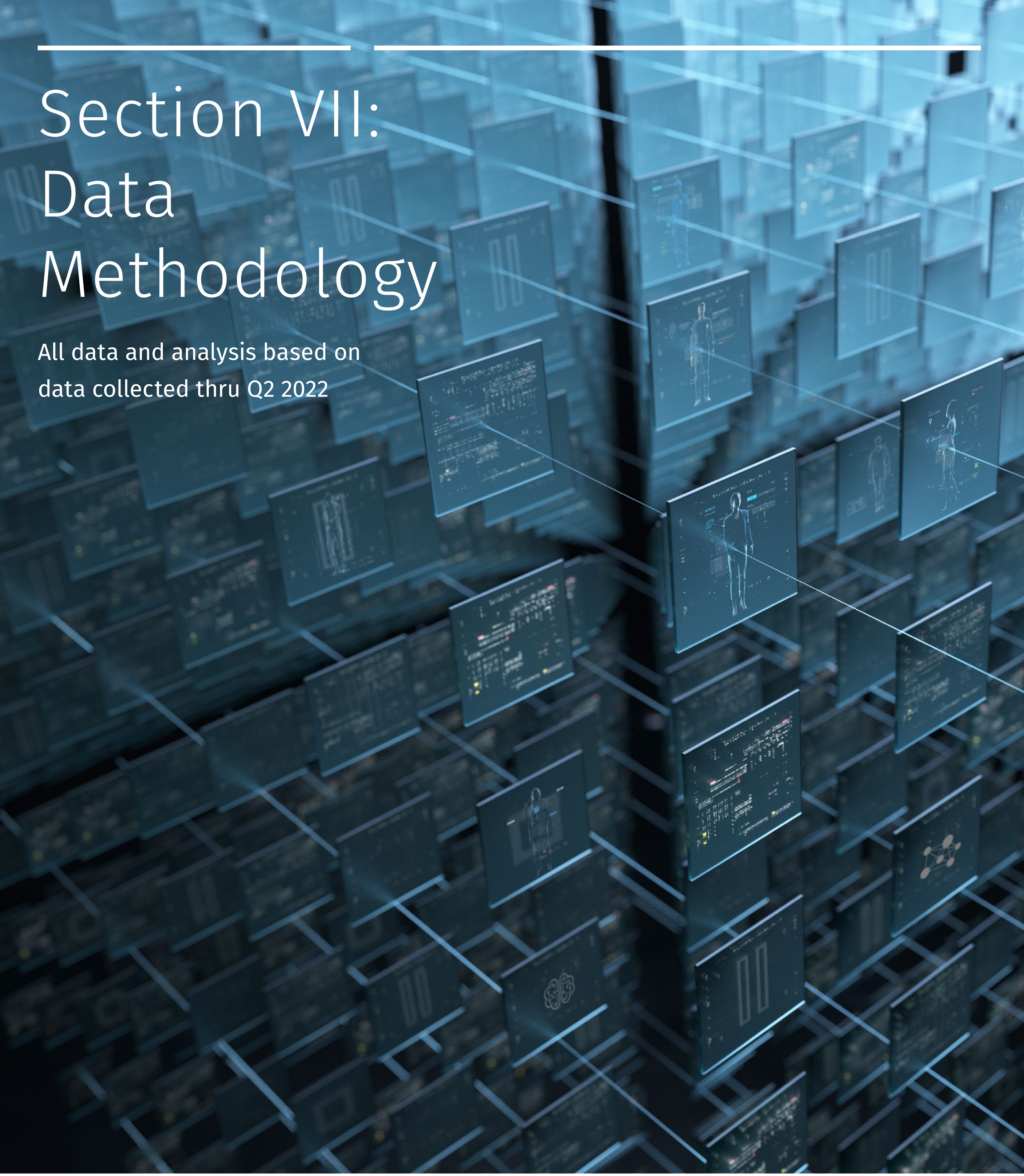
All data and analysis based on data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter





Section VII: Data Methodology

All data and analysis based on data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections
General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate[1]

Antitrust and Competition
Corporate Development
General/Other
Governance
Information and Technology
Mergers, Acquisitions, and Divestitures
Partnerships and Joint Ventures
Regulatory and Compliance
Tax
Treasury
White Collar/Fraud/Abuse

Employment and Labor

ADA
Agreements
Compensation and Benefits
Discrimination, Retaliation, and Harassment/EEO
Employee Dishonesty/Misconduct
ERISA
General/Other
Immigration
Union Relations and Negotiations/NLRB
Wages, Tips, and Overtime
Wrongful Termination

Environmental

General/Other
Health and Safety
Superfund
Waste/Remediation

Finance and Securities

Commercial Loans and Financing
Debt/Equity Offerings
Fiduciary Services
General/Other
Investments and Other Financial Instruments
Loans and Financing
SEC Filings and Financial Reporting
Securities and Banking Regulations

General Liability

Asbestos/Mesothelioma
Auto and Transportation
Consumer Related Claims
Crime, Dishonesty and Fraud
General/Other
Personal Injury/Wrongful Death
Premises
Product and Product Liability
Property Damage
Toxic Tort

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

Exhibit 5

Business & Practice

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

By Roy Strom

Column
June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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

00:00:00

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

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

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

Documents

Trustee's Objection

Related Articles

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

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

Law Firms

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

Topics

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

Companies

Johnson & Johnson
Thomson Reuters Corp

Exhibit 6

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Aggrieved Members	1800
Opt Out Rate	N/A
Opt Outs Received	
Total Aggrieved Claimants	1800
Subtotal Admin Only	**$10,000.00**

Not-to-Exceed Total $10,000.00

For 1800 Aggrieved Members

Pricing Good for Scope of Estimate Only

September 4, 2024

Case: Hernandez v. L&S Construction PAGA Administration wTranslation

Phoenix Contact: Jodey Lawrence
Contact Number: 949.566.1455
Email: Jodey@phoenixclassaction.com

Requesting Attorney: Justin Marquez
Firm: Wilshire Law Firm, PLC
Contact Number: (213) 381-9988, Ext. 345
Email: justin@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
Estimate is based on 1800 Aggrieved Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of $150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

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

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	$125.00	3	$375.00
Programming Database & Setup	$125.00	3	$375.00
Toll Free Setup*	$38.30	1	$38.30
Call Center & Long Distance	$2.00	13	$26.00
NCOA (USPS)	$125.00	1	$125.00
Language Translation	$250.00	1	$250.00
		Total	**$1,189.30**

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Check & Postage

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	$125.00	2	$250.00
Data Merge & Duplication Scrub	$0.25	1,800	$450.00
Notice and Check Packet	$1.00	1,800	$1,800.00
Estimated Postage (up to 1 oz.)*	$0.76	1,800	$1,368.00
		Total	**$3,868.00**

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

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CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	$75.00	3	$225.00
Skip Tracing Undeliverables	$1.50	270	$405.00
Remail Notice Packets	$1.50	270	$405.00
Estimated Postage	$0.61	270	$164.70
Programming Undeliverables	$50.00	3	$150.00
		Total	**$1,349.70**

Database Programming

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	$150.00	2	$300.00
Case Manager	$75.00	2	$150.00
		Total	**$450.00**

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

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	$75.00	2	$150.00
Disbursement Review	$75.00	2	$150.00
Programming Manager	$95.00	2	$190.00
QSF Bank Account & EIN	$50.00	1	$50.00
Check Run Setup & Printing	$100.00	5	$500.00
		Total	**$1,040.00**

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

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Supervisor	$145.00	3	$435.00
Remail Undeliverable Checks (Postage Included)	$1.50	342	$513.00
Case Associate	$55.00	2	$110.00
Reconcile Uncashed Checks	$85.00	2	$170.00
Conclusion Reports	$50.00	1	$50.00
Case Manager Conclusion	$75.00	1	$75.00
Final Reporting & Declarations	$100.00	2	$200.00
QSF Annual Tax Reporting With Individual* (State Tax Reporting Included)	$550.00	1	$550.00
		Total	**$2,103.00**

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibilty.

Estimate Total:	**$10,000.00**

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

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

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

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

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

Tax Reporting Requirements

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

1. Defendant's California State ID and Federal EIN.

2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.

3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.

4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.

5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.