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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MERCED**

AMALIA NAVARRO CANTON,
CONCEPCION MORALES AZEVEDO, and
SONIA IMELDA NAVARRO CASTILLO,
individually and on behalf of all others similarly
situated, and on behalf of the State of California
and other aggrieved persons; JOSEFINA
MERCADO GONZALEZ, and JESUS TORRES
RODRIGUEZ, individually, on behalf of all
others similarly situated,

Plaintiffs,

v.

JOHN B. SANFILIPPO & SONS, INC., a
corporation, and DOES 1 through 10, inclusive,

Defendants

Case No.: 22CV-01145

CLASS ACTION

[Assigned for all purposes to: Hon. Brian L.
McCabe, Courtroom 8]

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

FINAL APPROVAL HEARING

Date: March 15, 2024
Time: 8:15 a.m.
Dept.: 8

Complaint filed: April 27, 2022
FAC filed: October 27, 2022
SAC filed: August 25, 2023
Trial date: Not set

1. I am admitted, in good standing, to practice as an attorney in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Senior Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiffs Amalia Navarro Canton, Concepcion Morales Azevedo, Sonia Imelda Navarro Castillo, Josefina Mercado Gonzalez, and Jesus Torres Rodriguez (collectively, “Plaintiffs”). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiffs’ Motion for Final Approval of Class Action Settlement.

CASE BACKGROUND

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

4. On April 27, 2022, Plaintiffs Canton, Azevedo, and Castillo commenced this action entitled *Amalia Navarro Canton, et al. v. John B. Sanfilippo & Sons, Inc.* in the Superior Court of the State of California for the County of Merced, Case No. 22CV-01145 against Defendant, alleging causes of action for: (1) failure to pay minimum and straight time wages (Labor Code §§ 204, 1194, 1194.2, and 1197); (2) failure to pay overtime wages (Labor Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (Labor Code §§ 226.7); (5) failure to timely pay

1 final wages at termination (Cal. Lab. Code §§ 201-203); (6) failure to provide accurate itemized
2 wage statements (Labor Code § 226); (7) failure to indemnify employees for expenditures (Cal.
3 Lab. Code § 2802); and (8) unfair business practices (Business and Professions Code § 17200
4 *et seq.*)

5 5. On July 28, 2022, Plaintiffs Canton, Azevedo, and Castillo filed an action in
6 Merced County Superior Court, Case No. 22CV-20407, alleging a single cause of action for
7 civil penalties pursuant to the Private Attorneys General Act “PAGA” (Labor Code § 2698, *et*
8 *seq.*) (the “PAGA Action”). On October 27, 2022, Plaintiffs Canton, Azevedo, and Castillo
9 filed a First Amended Complaint in the Class Action against Defendant adding claims for civil
10 penalties under PAGA and dismissing the PAGA Action without prejudice. On May 9, 2022,
11 Plaintiffs sent a notice to Defendant and the California Labor & Workforce Development
12 Agency (“LWDA”) alleging similar wage and hour violations pursuant to the PAGA. On
13 August 25, 2023, Plaintiffs Canton, Azevedo, and Castillo filed a Second Amended Complaint
14 adding Josefina Mercado Gonzalez and Jesus Torres Rodriguez as additional Plaintiffs.

15 DISCOVERY, INVESTIGATION, AND SETTLEMENT

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

21 7. After reviewing documents regarding Defendant’s wage and hour policies and
22 practices, analyzing Defendant’s timekeeping and payroll records, and interviewing Class
23 Members, Class Counsel was able to evaluate the probability of class certification, success on the
24 merits, and Defendant’s maximum monetary exposure for all claims. Class Counsel also
25 investigated the applicable law regarding the claims and defenses asserted in the litigation. Class
26 Counsel reviewed these records and prepared a damage analysis prior to mediation. Plaintiffs also
27 retained the services of several experts who provided their opinions and reports in support of
28 Plaintiffs’ claims. This extensive investigation and discovery allowed Class Counsel to act

intelligently and effectively in negotiating the Settlement.

8. On January 11, 2023, the parties participated in private mediation with experienced class action mediator Brandon McKelvey, Esq. The mediation was conducted via Zoom. The settlement negotiations were at arm's length and, although conducted in a professional manner, were adversarial. The parties went into the mediation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate their position through trial and appeal if a settlement had not been reached. After extensive negotiations and discussions regarding the strengths and weaknesses of Plaintiffs' claims and Defendant's defenses, the Parties reached a settlement the material terms of which are encompassed within the Settlement. Attached as **Exhibit 1** is a true and correct copy of the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement" or "Settlement Agreement").

9. Class Counsel has conducted a thorough investigation into the facts of this case. Based on the foregoing discovery and their own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members in light of all known facts and circumstances, the risk of significant delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial risk, and appellate risk. The settlement obviates the significant risk that this Court may deny certification of all or some of Plaintiffs' claims. While Plaintiffs are confident in the merits of their claims, a legitimate controversy exists as to each cause of action. Plaintiffs also recognize that proving the amount of wages due to each class member would be an expensive, time-consuming, and uncertain proposition. Furthermore, even if Plaintiffs obtained certification of all or some of the claims, continued litigation would be expensive, involving a trial and possible appeals, and would substantially delay and reduce any recovery by the class.

10. The Court granted Plaintiffs' Motion for Preliminary Approval of the Settlement on December 4, 2023. The deadline for class members to opt out or object to the Settlement was February 20, 2024. The reaction of the Class to the settlement has been overwhelmingly positive. Indeed, as of the filing of this Motion, no Class Members have opted out of the settlement, and no Class Members have objected to the settlement.

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

ENHANCEMENT AWARD FOR PLAINTIFF IS REASONABLE]

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

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

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

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

1 legal remedies on their own, that would have resulted in each having to expend a significant amount
2 of their own monetary resources and time, which were obviated by Plaintiffs putting themselves
3 on the line on behalf of these other class members.

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

16 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

17 17. The settlement provides for attorney's fees and costs to Class Counsel in an amount
18 up to 33 and 1/3% of the Gross Settlement Amount, for a maximum fees award of \$162,500, plus
19 reasonable litigation expenses of up to \$25,000.

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

Person	Role	Hours	Rate	Lodestar
Justin F. Marquez	Senior Partner (14+ years)	33	\$1,500	\$49,500
Benjamin H. Haber	Associate Attorney (7th Year)	49	\$700	\$34,300
Arrash Fattahi	Associate Attorney (4th Year)	37	\$500	\$18,500
Maxim Gorbunov	Associate Attorney (3rd Year)	39	\$475	\$18,525
Bradford Smith	Associate Attorney (2nd Year)	8	\$450	\$3,600
Min Jee Kim	Senior Paralegal	18	\$200	\$3,600
Total:				\$124,425

1 19. Class Counsel has spent over 184 hours litigating this Action to bring it to
2 resolution, not including time which will be expended monitoring the administration of the
3 settlement and distribution of funds to the Class Members. The efforts expended by Plaintiffs'
4 counsel to achieve this result include, but are not limited to, the following:

- 5 a. the investigation of the matter, including meeting with Plaintiffs, reviewing
6 Defendant's policies, and requesting and reviewing Plaintiffs' time and pay records,
7 personnel files, and exploring the corporate structure of Defendant;
- 8 b. filing the Action;
- 9 c. attending status conferences and meeting and conferring with Defendant regarding
10 the case;
- 11 d. meeting and conferring with Defendant regarding mediation, exchange of informal
12 discovery beforehand, and negotiating with opposing counsel regarding the
13 parameters thereof;
- 14 e. selecting a mediator and mediation date;
- 15 f. working with opposing counsel and an expert consultant for the receipt of a
16 representative sampling and analyzing the same with the aid of expert consultant
17 and Plaintiffs to perform analyses of liability and exposure prior to attendance of
18 the mediation in this matter;
- 19 g. reviewing policy documents from Defendant and researching applicable defenses;
- 20 h. preparation of a mediation brief and damages model for use at mediation;
- 21 i. attendance at mediation by all Parties and Counsel;
- 22 j. communicating with Plaintiffs who requested updates or other information
23 regarding this matter;
- 24 k. engaging in settlement negotiations, followed by finalizing and fully executing the
25 settlement agreement;
- 26 l. preparing and assisting in the drafting of the Motion for Preliminary Approval and
27 supporting documents;
- 28 m. drafting and seeking leave to file a First Amended Complaint and a Second

Amended Complaint;

- n. communicating with class members who sought additional information regarding the settlement, including answering questions regarding the settlement and obtaining updated addresses from class members for purposes of receiving the class notices and administering the settlement checks;
- o. communicating with the Settlement Administrator to ensure the Class Notice was properly distributed and engaging in extensive follow-up communications with the Settlement Administrator regarding class members who sought additional information about the Settlement; and
- p. preparing the instant Motion for Final Approval and supporting documents.

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

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

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

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

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

on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

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

26. As of the drafting of this motion, my office has incurred around \$16,210.53 in expenses litigating this action, and we anticipate accruing additional costs up to Final Approval of the Settlement. These expenses were reasonably necessary to the litigation and were actually incurred by my office. We also anticipate additional costs in the amount of \$300.00, which includes the costs for filing Plaintiffs' Motion for Final Approval, the distribution compliance report, and appearing at the hearing. Accordingly, my office respectfully requests reimbursements of \$16,510.53 in expenses, which should be reimbursed in full. Attached as Exhibit 2 is a list of the costs and the categories of costs for the costs incurred in this case to date.

PLAINTIFF'S COUNSEL'S EXPERIENCE AND QUALIFICATIONS

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

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

1 and data privacy litigation.

2 29. I graduated from the University of California, Los Angeles's College Honors
3 Program in 2004 with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi*
4 *Beta Kappa*. As an undergraduate, I also received a scholarship to study abroad for one year at
5 Tokyo University in Tokyo, Japan. I received my Juris Doctor from Notre Dame Law School in
6 2008.

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

10 31. I have received numerous awards for my legal work. From 2017 to 2020, Super
11 Lawyers selected me as a "Southern California Rising Star," and from 2022 to 2024, I was selected
12 as a "Southern California Super Lawyer." I was selected as one of the "Best Lawyers in America"
13 in 2023 and 2024. In 2016 and 2017, the National Trial Lawyers selected me as a "Top 40 Under
14 40" attorney. I am also rated 10.0 ("Superb") by Avvo.com.

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

19 33. I am also a past member of the Consumer Attorneys of California ("CAOC"). In
20 2020, I was selected for a position on CAOC's Board of Directors. I am also a past member of
21 CAOC's Diversity Committee, and I helped assist the CAOC in defeating bills that harm
22 employees. Indeed, I recently helped assist Jacqueline Serna, Esq., Legislative Counsel for CAOC,
23 in defeating AB 443, which proposed legislation that sought to limit the enforceability of California
24 Labor Code § 226.

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

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

- a. I served as lead or co-lead in negotiating class action settlements worth over \$10 million in gross recovery to class members for each year since 2020, including over \$37.5 million in 2022 and over \$75 million in 2023.
- b. I was part of the team of attorneys that prevailed in *Moore v. Centrelake Medical Group, Inc.* (2022) 83 Cal.App.5th 515, the first California appellate decision in a data breach class action holding that consumer plaintiffs adequately alleged injury in fact under the benefit of the bargain theory and monitoring-costs theory.
- c. In 2022, Top Verdict recognized Wilshire Law Firm and myself for having one case in the Top 20 Labor & Employment Settlements in 2021 (including number 19 for the \$1.6 million settlement in *Moreno v. Pretium Packaging, L.L.C*) and four additional cases in the Top 50 Labor & Employment Settlements in 2021 (numbers 27, 30, 33, and 37).
- d. To my knowledge, I am the only attorney to appear on each of the following Top Verdict lists for 2018 in California: Top 20 Civil Rights Violation Verdicts, Top 20 Labor & Employment Settlements, and Top 50 Class Action Settlements.
- e. As lead counsel, on April 29, 2021, I prevailed against CVS Pharmacy, Inc. by winning class certification on behalf of hundreds of thousands of consumers for misleading advertising claims in *Joseph Mier v. CVS Pharmacy, Inc.*, U.S. Dist. Ct. C.D. Cal. no. SA CV 20-1979-DOC-(ADSx).
- f. As lead counsel, I prevailed against Bank of America by: winning class certification on behalf of thousands of employees for California Labor Code violations; defeating appellate review of the court's order certifying the class; defeating summary judgment; and defeating a motion to dismiss. (*Frausto v. Bank of America, N.A.* (N.D. Cal. 2019) 334 F.R.D. 192, 2020 WL 1290302 (9th Cir. Feb. 27, 2020), 2019 WL 5626640 (N.D. Cal. Oct. 31, 2019), 2018 W.L. 3659251 (N.D. Cal. Aug. 2, 2018)). The decision certifying the class in *Frausto*

is also discussed in Class Certification Under Fed. R. Civ. P. 23 in Action by Information Technology or Call Center Employees for Violation of State Law Wage and Hour Rules, 35 A.L.R. Fed. 3d Art. 8.

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

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

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

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

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

unaccepted Rule 68 offer doesn't moot plaintiff's claims, and granting plaintiff's motion to strike Defendants' affirmative defenses based on *Twombly/Iqbal*).

- n. 2013 U.S. Dist. LEXIS 122007 (N.D. Cal. Aug. 27, 2013) (order granting conditional collective certification).
- o. 2013 U.S. Dist. LEXIS 95687 (N.D. Cal. July 8, 2013) (affirming the magistrate judge's discovery ruling which held that "evidence of other sources of income is irrelevant to the question of whether a plaintiff is an employee within the meaning of the FLSA").
- p. 2013 U.S. Dist. LEXIS 91771 (N.D. Cal. June 20, 2013) (granting broad discovery because "an FLSA plaintiff is entitled to discovery from locations where he never worked if he can provide some evidence to indicate company-wide violations").
- q. From 2012 to 2013, I was part of a team of attorneys that obtained class certification for over 60,000 class members for off-the-clock claims, *Linares v. Securitas Security Services USA, Inc.*, Los Angeles Superior Court No. BC416555. We also successfully opposed subsequent appeals to the California Court of Appeal and California Supreme Court.

35. Benjamin H. Haber is a seventh-year Associate Attorney at Wilshire Law Firm. His current hourly rate for this case is \$700. He graduated from the University of California, Los Angeles, with a Bachelor of Arts in Political Science, and received his Juris Doctor from the University of California, Hastings College of the Law in 2016. During law school, he was a member of the executive board for the *Hastings Law Journal* and a student mediator at the San Francisco Superior Court, Small Claims Division. He was admitted to practice law in the State of California in 2017. Since graduating from law school, he has focused his legal work primarily on wage-and-hour litigation and has helped obtain dozens of seven-figure settlements on behalf of tens of thousands of workers in California. He was also selected as a "Southern California Rising Star" in 2024.

36. Arrash T. Fattahi is a fourth-year Associate Attorney at Wilshire Law Firm, PLC.

1 He was admitted to practice law in the State of California and the Central and Southern Districts
2 of California in January 2021. Arrash graduated from the University of California, Los Angeles,
3 with a Bachelor of Arts in Political Science, *summa cum laude*. He received his Juris Doctor from
4 The George Washington University Law School. During law school, he was a member of the
5 student editorial board for the *Federal Circuit Bar Journal*. Since January 2021, his practice has
6 mainly been focused on wage and hour class action litigation. His current contingent billing rate
7 for this case is \$500 per hour.

8 37. Maxim Gorbunov is a third-year Associate Attorney at Wilshire Law Firm, PLC.
9 He was admitted to practice law in the State of California in 2021, the Northern and Central District
10 of California in 2022, and the Eastern District of California in 2023. He graduated from the
11 University of California, Irvine, with a Bachelor of Arts in Cognitive Science, completing the
12 Psychology Honors Program. He received his Juris Doctor from the University of California,
13 Hastings College of Law in 2021. During law school, he was a Board Member, competitor, and
14 student coach of the Hastings Moot Court Team, being awarded the Student Coach of the Year
15 award. Since November 2021, his practice has mainly been focused on employment and wage and
16 hour class actions. His current contingent billing rate for this case is \$475 per hour.

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

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

27 40. My current contingent billing rate of \$1,500 per hour is consistent with my actual
28 billing rate for paid legal industry consulting services, my practice area, lead appellate experience

1 in the Ninth Circuit Court of Appeals, numerous awards received, legal market and accepted hourly
2 rates:

- 3 a. I have been paid for legal industry consulting services at \$1,500 per hour by
4 Gerson Lehrman Group (GLG), a company that provides financial information
5 and advises investors and consultants with business clients seeking expert
6 advice. GLG is one of the largest companies that provides expert consulting
7 services. GLG's clients include corporations, hedge funds, private equity firms,
8 and consulting firms. I have worked with GLG on numerous occasions at a rate
9 of \$1,500 per hour, including on three recent occasions in October and
10 November of 2023.
- 11 b. On January 11, 2024, the Hon. Laurel Beeler of the United States District Court,
12 Northern District of California approved my \$1,500 hourly rate when she
13 granted final approval of the class action settlement in *Suarez v. Bank of*
14 *America, N.A.* (N.D. Cal. Jan. 11, 2024), No. 18-cv-01202-LB, 2024
15 WL150721, *3 ("As for the lodestar cross-check, the billing rates are normal
16 and customary for timekeepers with similar qualifications and experience in the
17 relevant market.")
- 18 c. On January 11, 2024, the Hon. Harold Hopp of the Riverside County Superior
19 Court approved my \$1,500 hourly rate when he granted final approval of the
20 class action settlement in *Gutierrez v. Next Level Door & Millwork, Inc.*, No.
21 CVRI2105455.
- 22 d. On May 6, 2022, the Hon. Jay A. Garcia-Gregory of the United States District
23 Court in Puerto Rico approved my \$850 hourly rate when he granted final
24 approval of the class action settlement in *Serrano v. Inmediata Corp.*, No. 3:19-
25 cv-01811-JAG, Dkt. 57 (U.S. Dist. Ct. P.R. May 6, 2022).
- 26 e. On September 9, 2021, the Hon. Peter Wilson of the Orange County Superior
27 Court approved my \$800 hourly rate when he granted final approval of the class
28 action settlement in *Ricardo Campos Hernandez v. Adams Iron Co., Inc.*, No.

30-2019-01066522-CU-OE-CXC.

- f. On August 6, 2021, the Hon. Stanley Blumenfeld, Jr. of the United States District Court granted final approval of the \$1,600,000 class action settlement in *Carlos Moreno v. Pretium Packaging, Inc.* (C.D. Cal. Aug. 6, 2021) No. 8:19-cv-02500-SB-DFM, 2021 WL 3673845 in which I served as lead counsel. In doing so, the Court approved my then \$750 hourly rate after finding it was “reasonable, given the qualifications of the attorneys who worked on this matter.” (*Id.* at p. *3.)
- g. On January 19, 2021, the Hon. Elihu M. Berle of the Los Angeles County Superior Court approved my \$750 hourly rate when he granted final approval of the class action settlement in *Faye Zhang v. Richemont North America, Inc.*, Case No. 19STCV32396

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

- a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the real market rates of Los Angeles area attorneys who practice litigation. For that category, the third quartile 2022 rate was \$1,045 per hour for partners and \$855 for associates. Likewise, page 32 of the Report describes the rates charged by 183 Los Angeles partners with “21 or more years of experience” and “Fewer than 21 years.” For those categories, the third quartile Los Angeles partner rate in 2022 were \$1,133 per hour for 21 or more years and \$1,075 for attorneys with fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate Report is attached hereto as **Exhibit 3.**
- 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 4.**

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

3 Executed on February 22, 2024, in Los Angeles, California.

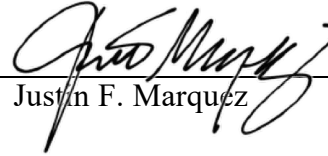
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Exhibit 1

1 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

2 This Class Action and PAGA Settlement (“Agreement,” “Settlement,” or “Settlement
3 Agreement”) is made and entered into by and between Plaintiffs Amalia Navarro Canton, Concepcion
4 Morales Azevedo, Sonia Imelda Navarro Castillo, Josefina Mercado and Jesus Torres Rodriguez
5 (“Plaintiffs” or collectively “Plaintiffs” or “Class Representatives”), on behalf of all others similarly
6 situated and aggrieved employees, and Defendant John B. Sanfilippo & Son, Inc. (“Defendant”) (and
7 collectively with Plaintiffs, the “Parties”).

8 This Settlement Agreement shall be binding on Plaintiffs, PAGA Members and Settlement Class
9 Members (as defined herein), the State of California (as set forth herein), and on Defendant, subject to
10 the terms and conditions hereof and the approval of the Court.

11 **RECITALS**

12 1. On April 27, 2022, Plaintiffs Amalia Navarro Canton, Concepcion Morales Azevedo and
13 Sonia Imelda Navarro Castillo commenced the action entitled *Amalia Navarro Canton, Concepcion*
14 *Morales Azevedo and Sonia Imelda Navarro Castillo v. John B. Sanfilippo & Son, Inc.* in the Superior
15 Court of the State of California for the County of Merced, Case No. 22CV-01145 (the “Action”) against
16 Defendant, alleging causes of action for violation of (1) California Labor Code §§ 204, 1194, 1194.2 and
17 1197 (Failure to Pay Minimum Wage and Straight Time Wages), (2) California Labor Code §§ 1194 and
18 1198 (Failure to Pay Overtime Wages), (3) California Labor Code §§ 226.7 and 512 (Failure to Provide
19 Meal Periods), (4) California Labor Code § 226.7 (Failure to Authorize and Permit Rest Periods), (5)
20 California Labor Code §§ 201 -203 (Failure to Timely Pay Final Wages at Termination), (6) California
21 Labor Code § 226 (Failure to Provide Accurate Itemized Wage Statements), (7) California Labor Code §§
22 2802 (Failure to Indemnify Employees for Expenditures) and (8) California Labor Code and California
23 Business & Professions Code §§ 17200, *et seq.* (Unfair Business Practices).

24 2. On May 9, 2022, Plaintiffs Amalia Navarro Canton, Concepcion Morales Azevedo and
25 Sonia Imelda Navarro Castillo provided written notice by certified mail to the Labor and Workforce
26 Development Agency and Defendant of the specific provisions of the California Labor Code that
27 Defendant allegedly violated (the “LWDA Letter”).

28 3. On July 28, 2022, Plaintiffs Amalia Navarro Canton, Concepcion Morales Azevedo and

1 Sonia Imelda Navarro Castillo filed Under the Private Attorneys General Act, California Labor Code §
2 2699, Et Seq. against Defendant, in the Superior Court of the State of California for the County of Merced,
3 Case No. 22CV-20407 (“PAGA Action”) alleging a single cause of action for civil penalties pursuant to
4 the Private Attorneys General Act of 2004 (“PAGA”), on behalf of the State of California in connection
5 with themselves and aggrieved employees.

6 4. On October 27, 2022, Plaintiffs Amalia Navarro Canton, Concepcion Morales Azevedo
7 and Sonia Imelda Navarro Castillo filed the First Amended Complaint in the Superior Court of the State
8 of California for the County of Merced, Case No. 22CV-01145 alleging causes of action for violation of
9 (1) California Labor Code §§ 204, 1194, 1194.2 and 1197 (Failure to Pay Minimum Wage and Straight
10 Time Wages), (2) California Labor Code §§ 1194 and 1198 (Failure to Pay Overtime Wages), (3)
11 California Labor Code §§ 226.7 and 512 (Failure to Provide Meal Periods), (4) California Labor Code §
12 226.7 (Failure to Authorize and Permit Rest Periods), (5) California Labor Code §§ 201 -203 (Failure to
13 Timely Pay Final Wages at Termination), (6) California Labor Code § 226 (Failure to Provide Accurate
14 Itemized Wage Statements), (7) California Labor Code §§ 2802 (Failure to Indemnify Employees for
15 Expenditures), (8) California Labor Code and California Business & Professions Code §§ 17200, *et seq.*
16 (Unfair Business Practices) and (9) California Labor Code § 2699 (Civil Penalties Under PAGA).

17 5. On October 27, 2022, by request of Plaintiffs Amalia Navarro Canton, Concepcion
18 Morales Azevedo and Sonia Imelda Navarro Castillo, the court dismissed Case No. 22CV-20407 without
19 prejudice.

20 6. Defendant does not object to Plaintiffs Amalia Navarro Canton, Concepcion Morales
21 Azevedo and Sonia Imelda Navarro Castillo filing a Second Amended Complaint in the Superior Court
22 of the State of California for the County of Merced, Case No. 22CV-01145 solely to add Plaintiffs Josefina
23 Mercado and Jesus Torres Rodriguez. Josefina Mercado and Jesus Torres Rodriguez will be bound as
24 Plaintiffs to the terms of this Settlement Agreement.

25 7. Defendant denies all material allegations set forth in the Action, defined below, and have
26 asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
27 Defendant desires to fully and finally settle the Action, Released Class Claims, and Released PAGA
28 Claims (as defined herein).

1 8. Class Counsel in the Action diligently investigated the claims asserted by Plaintiffs, the
2 Class Members, and the PAGA Members against Defendant, including any and all applicable defenses
3 and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and
4 documents, and review of numerous corporate policies and practices.

5 9. On January 11, 2023, the Parties participated in an all-day mediation with Brandon
6 McKelvey (the “Mediator”), a respected mediator of complex wage and hour actions, and with the
7 assistance of the Mediator’s evaluations, the Parties reached the Settlement on January 18, 2023, that is
8 memorialized herein. The settlement discussions were conducted at arm’s-length, and the Settlement is
9 the result of an informed and detailed analysis of Defendant’s potential liability and exposure in relation
10 to the costs and risks associated with continued litigation. Based on the documents produced, as well
11 as Class Counsel’s own independent investigation and evaluation, Class Counsel believes that the
12 Settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement
13 is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known
14 facts and circumstances, including the risk of significant delay and uncertainty associated with litigation
15 and various defenses asserted by Defendant.

16 10. The Parties expressly acknowledge that this Settlement Agreement is entered into solely
17 for the purpose of compromising significantly disputed claims and that nothing herein is an admission
18 of liability or wrongdoing by Defendant. Defendant contends it has complied with all applicable state,
19 federal and local laws and reserves its right to assert all available defenses to Plaintiffs’ claims in the
20 Action. Nonetheless, Defendant recognizes continued defensive litigation in the Action would be
21 protracted and expensive for it. Defendant recognizes it would continue to expend substantial time and
22 expense to prove the merits of its defenses. While Defendant is confident that it has done no wrong,
23 continued litigation in the Action through trial, appeals and final judgment would be time consuming,
24 uncertain, risky and expensive. Defendant continues to assert Plaintiffs’ allegations have no merit and do
25 not give rise to Defendant’s liability for damages, restitution, penalties, or other payments and that this
26 Settlement is a compromise of disputed claims. Defendant has agreed to settle in the manner and upon the
27 terms set forth in this Settlement Agreement to put the claims alleged in the Action to rest. If for any
28 reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall

1 be returned to their original respective positions.

2 DEFINITIONS

3 11. The following definitions are applicable to this Settlement Agreement. Definitions
4 contained elsewhere in this Settlement Agreement will also be effective:

5 a. "Action" means the putative wage-and-hour class and representative action filed
6 in the Superior Court for the State of California, County of Merced, entitled *Amalia Navarro Canton, et*
7 *al. v. John B. Sanfilippo & Son, Inc.*, Case No. 22CV-01145.

8 b. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for
9 Class Counsel's litigation and resolution of the Action, and all actual costs incurred and to be incurred
10 by Class Counsel in the Action, as set forth in Paragraph 15 below.

11 c. "Class Counsel" or "Plaintiffs' Counsel" means Justin F. Marquez, Benjamin H.
12 Haber and Arrash T. Fattahi, Wilshire Law Firm, PLC, who will seek to be appointed counsel for the
13 Class.

14 d. "Class List" means a complete list of all Class Members that Defendant will
15 diligently and in good faith compile from their records and provide to the Settlement Administrator. The
16 Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each
17 Class Member's full name, last known mailing address, Social Security Number, dates worked for
18 Defendant during the Class Period, number of PAGA Pay Periods and such other information and data as
19 necessary for the Settlement Administrator to independently calculate the Workweeks (as defined below).

20 e. "Class Member(s)" or "Class" mean all current or former hourly-paid, non-exempt
21 employees of Defendant in California employed between April 27, 2018 and March 19, 2023.

22 f. "Class Notice" means the Notice of Class Action Settlement, substantially in the
23 form attached as "**Exhibit A.**"

24 g. "Class Period" means the time period from April 27, 2018 to March 19, 2023.

25 h. "Class Representatives" or "Plaintiffs" mean Amalia Navarro Canton, Concepcion
26 Morales Azevedo, Sonia Imelda Navarro Castillo, Josefina Mercado and Jesus Torres Rodriguez.

27 i. "Class Settlement" means the settlement and resolution of the Released Class
28 Claims.

j. “Court” means the Superior Court of the State of California, County of Merced.

k. “Defendant” means John B. Sanfilippo & Son, Inc.

l. “Defendant’s Counsel” means Atkinson, Andelson, Loya, Ruud & Romo and Amundsen Davis LLC.

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

n. “Enhancement Payments” means the amounts to be paid to each of the Plaintiffs Amalia Navarro Canton, Concepcion Morales Azevedo, Sonia Imelda Navarro Castillo, Josefina Mercado and Jesus Torres Rodriguez in recognition of each person’s effort and work in prosecuting the Action on behalf of Class Members and in exchange for a general release, as set forth in Paragraph 16 below.

o. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

p. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

q. “Individual PAGA Payment” means the amount payable to each PAGA Member from the 25% portion of the PAGA Penalty Amount that is allocated to PAGA Members, as provided in Paragraph 19(b).

r. “Individual Settlement Payment” means the net payment of each Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the portion of the Individual Settlement Share allocated as wages, as provided in Paragraph 30 below.

s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Settlement Agreement, to be

1 calculated in accordance with Paragraph 19(a).

2 t. “Judgment” means the judgment entered by the Court based upon the Final
3 Approval.

4 u. “LWDA Payment” means the amount that the Parties have agreed to pay to the
5 California Labor and Workforce Development Agency (“LWDA”) as set forth in Paragraph 18.

6 v. “Net Settlement Amount” means the portion of the Total Settlement Amount that
7 is available for distribution to Settlement Class Members, which is the Total Settlement Amount less the
8 Court-approved Enhancement Payments, Settlement Administration Costs, PAGA Penalty Amount, and
9 Attorneys’ Fees and Costs.

10 w. “Notice of Objection” means a Class Member’s written objection to the Class
11 Settlement, which must: (a) include the case name and number of the Action; (b) include the objector’s
12 full name, signature, address, and telephone number, and the last four digits of their Social Security
13 number; (c) dates of employment; (d) include a written statement of all grounds for the objection
14 accompanied by any legal support for such objection; (e) attach copies of any papers, briefs, or other
15 documents upon which the objection is based; (f) if the objector is represented by counsel, the name(s)
16 and address(es) of the objector’s counsel and (g) be returned by mail to the Settlement Administrator at
17 the specified address, postmarked on or before the Response Deadline.

18 x. “Operative Complaint” means the Second Amended Complaint filed on August
19 25, 2023.

20 y. “PAGA Members” means all current and former hourly-paid or non-exempt
21 employees of Defendant in California employed between May 9, 2021 and March 19, 2023.

22 z. “PAGA Penalty Amount” means the amount that the Parties have agreed to pay to
23 settle all claims under PAGA, as set forth in Paragraph 18. From this amount, 75% will be paid to the
24 LWDA and 25% will be distributed to PAGA Members. The PAGA Payment shall be payable from the
25 Total Settlement Amount.

26 aa. “PAGA Period” means the period from May 9, 2021 to March 19, 2023.

27 bb. “PAGA Settlement” means the settlement and resolution of the Released PAGA
28 Claims.

cc. “Parties” means Plaintiffs and Defendant, collectively, and “Party” means either each named Plaintiff or Defendant.

dd. “Preliminary Approval” means entry of the Court order granting preliminary approval of the Settlement Agreement.

ee. “Released Claims” means the Released Class Claims and Released PAGA Claims.

ff. “Released Class Claims” means claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees or costs, damages, actions or causes of action which are reasonably related to the allegations and claims asserted in the Action and the Operative Complaint, arising during the Class Period, including but not limited to claims under the California Labor Code, California Industrial Welfare Commission Wage Orders, regulations, claims for restitution and other equitable relief and/or other provisions of law, failure to pay overtime wages, failure to pay minimum wages, failure to pay straight time wages, failure to provide compliant meal periods and associated premium pay, failure to authorize and permit compliant rest periods and associated premium pay, failure to provide compliant wage statements, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to maintain requisite payroll records, failure to reimburse necessary business expenses, unfair or unlawful business practices in violation of California Business and Professions Code § 17200, *et seq.*, conversion or theft of labor, declaratory relief, accounting, injunctive relief, claims for penalties of any nature whatsoever, or any other benefit claimed, on account of allegations and claims which are reasonably related to the allegations and claims asserted in the Operative Complaint. The release shall not apply to claims for workers’ compensation benefits, unemployment insurance benefits, or any other claim or right that as a matter of law cannot be waived or released.

gg. “Released PAGA Claims” means any and all claims or causes of action for civil penalties under California Labor Code § 2698, *et seq.* (“PAGA”), arising out of the facts alleged in the LWDA Letter, arising during the PAGA Period, and that were alleged or reasonably could have been alleged based on the facts asserted in the Operative Complaint in the Action for failure to pay overtime wages, failure to pay minimum wages, failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to provide compliant

wage statements, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to maintain requisite payroll records, and failure to reimburse necessary business expenses.

hh. “Released Parties” means (1) Defendant; (2) Defendant’s respective past, present and future parent corporations, affiliates, affiliates’ companies, subsidiaries, divisions, d/b/a’s, predecessors, insurers, successors, fiduciaries, franchisees, franchisors, assigns, principals, heirs, their current and former employees, accountants, auditors, attorneys, consultants, officers, managers, members, partners, directors, shareholders, trustees, agents, both individually and in their business capacities of any of the following: and (3) any individual or entity which could be jointly liable with any of the foregoing for any of the Released Claims.

ii. “Request for Exclusion” means a written letter submitted by a Class Member indicating a request to be excluded from the Class Settlement. The Request for Exclusion must: (a) contain the case name and number of the Action; (b) be signed by the Class Member; (c) contain the full name, address, telephone number, and the last four digits of the Social Security Number of the Class Member requesting exclusion; (d) dates of employment; (e) clearly state that the Class Member does not wish to be included in the Class Settlement; and (f) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The date of the postmark on the mailing envelope on the submission will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not submit a timely and valid Request for Exclusion will be deemed a Settlement Class Member and will be bound by all terms of the Class Settlement, if the Settlement is granted Final Approval by the Court. PAGA Members shall not be permitted to opt out of the PAGA Settlement.

jj. “Response Deadline” means the deadline by which Class Members must submit a Request for Exclusion, Notice of Objection, and/or dispute of the Workweeks credited to them, which shall be the date that is sixty (60) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant’s

Counsel. Under no circumstances, however, will the Settlement Administrator have the authority to extend the Response Deadline. In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be the extended by fifteen (15) calendar days.

kk. “Settlement” means the disposition of the Action effectuated by this Settlement Agreement and the Judgment.

ll. “Settlement Administrator” means Apex Class Action LLC, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

mm. “Settlement Administration Costs” means the costs payable from the Total Settlement Amount, subject to Court approval, to the Settlement Administrator for reasonable fees and expenses for administering this settlement, as set forth in Paragraph 17 below.

nn. “Settlement Class Members” means all Class Members who do not submit a timely and valid Request for Exclusion from the Class Settlement.

oo. “Total Settlement Amount” means the amount of Four hundred eighty seven thousand five hundred dollars and no cents (\$487,500.00) to be paid by Defendant in full resolution of all Released Claims and the Action, which includes all Attorneys’ Fees and Costs, Enhancement Payments, PAGA Penalty Amount, Net Settlement Amount to be paid to the Settlement Class Members, and Settlement Administration Costs. The employer’s share of taxes on the wages portion of Individual Settlement Shares will be paid by Defendant separately and in addition to the Total Settlement Amount.

pp. “Workweeks” means the number of weeks each Class Member worked for Defendant as an hourly-paid or non-exempt employee within California, which information will be provided to the Settlement Administrator by the Defendant. Workweeks are calculated by the Settlement Administrator, based on each Class Member and/or PAGA Member’s start and end dates of employment during the Class Period and/or PAGA Period as an hourly-paid, non-exempt employee of Defendant, divided by seven (7). Each Class Member will be credited with at least one (1) Workweek.

1 **CLASS CERTIFICATION**

2 12. For the purposes of this settlement only, the Parties stipulate to the certification of the
3 Class as defined herein.

4 13. The Parties agree that certification of the Class for the purpose of Settlement is not an
5 admission that certification is proper under Section 382 of the California Code of Civil Procedure, or
6 for any other purpose. Should, for whatever reason, the Court not grant Final Approval, the Parties'
7 stipulation to class certification as part of the Settlement shall become null and void *ab initio* and shall
8 have no bearing on, and shall not be admissible in connection with, the issue of whether or not
9 certification would be appropriate or inappropriate in a non-settlement context. If this Settlement
10 Agreement is rendered null and void ab initio, then no Class Member, PAGA Member, or person shall use
11 this Settlement Agreement to support any claim or request for class certification in the Action or in any
12 other civil proceeding against Defendant.

13 **TERMS OF AGREEMENT**

14 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
15 forth herein, the Parties agree, subject to the Court's approval, as follows:

16 14. Funding of the Total Settlement Amount. Within fifteen (15) calendar days after the
17 Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts
18 to be paid by Defendant pursuant to the terms of the Settlement. Within thirty (30) calendar days of the
19 Effective Date, Defendant will make a one-time deposit of the Total Settlement Amount, along with any
20 employer-side tax obligations associated with the Total Settlement Amount, into a settlement account to
21 be established by the Settlement Administrator. Within seven (7) calendar days of the funding of Total
22 Settlement Amount, the Settlement Administrator will issue payments due under the Settlement and
23 approved by the Court, as follows: (a) Individual Settlement Shares to Settlement Class Members; (b)
24 Individual PAGA Payments to PAGA Members; (c) LWDA Payment to the LWDA; (d) Enhancement
25 Payments to Plaintiffs; (e) Attorneys' Fees and Costs to Class Counsel; and (f) Settlement Administration
26 Costs to the Settlement Administrator. The Parties agree that this is a non-reversionary Settlement and
27 that no portion of the Total Settlement Amount shall revert to Defendant.

28 15. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose

attorneys' fees of up to one third of the Total Settlement Amount (\$162,500.00) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) to Class Counsel, both of which will be paid from the Total Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Action, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. Should the Court approve the Attorneys' Fees and Costs in an amount that is less than that set forth above, the difference between the lesser amount approved by the Court and the amount allocated toward the Attorneys' Fees and Costs shall be a part of the Net Settlement Amount for the benefit of Settlement Class Members. The Court awarding a lesser amount of Attorneys' Fees and Costs than set forth above shall have no impact on the validity of the Settlement Agreement and shall not be a basis to cancel, void, or otherwise avoid same.

16. Enhancement Payments. In recognition of their efforts and work in prosecuting the Action, Defendant agrees not to oppose or impede any application or motion for Enhancement Payments in an amount up to Seven Thousand Five-Hundred Dollars and Zero Cents (\$7,500.00) to each of the following Plaintiffs: Amalia Navarro Canton, Concepcion Morales Azevedo, Sonia Imelda Navarro Castillo, Josefina Mercado and Jesus Torres Rodriguez. The Enhancement Payments for each Plaintiff, which will be paid from the Total Settlement Amount, subject to Court approval, will be in addition to each Plaintiffs Individual Settlement Payment that is to be paid pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to each Plaintiff for the Enhancement Payment, and each Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. Each Plaintiff agrees to indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the Enhancement Payment. Should the Court approve the Enhancement Payment to any Plaintiff in

1 an amount that is less than that set forth above, the difference between the lesser amount approved by
2 the Court and the amount allocated toward the Enhancement Payment will be part of the Net Settlement
3 Amount for the benefit of Settlement Class Members. The Court awarding a lesser Enhancement
4 Payment than set forth above shall have no impact on the validity of the Settlement Agreement and shall
5 not be a basis to cancel, void, or otherwise avoid same.

6 17. Settlement Administration Costs. The Settlement Administrator will be paid for the
7 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
8 which is currently estimated not to exceed Seven Thousand Six-Hundred Twenty-Five Dollars and Zero
9 Cents (\$7,625.00). These costs, which will be paid from the Total Settlement Amount, subject to Court
10 approval, will include, *inter alia*, translating the Class Notice in Spanish, printing, distributing, and
11 tracking Class Notices and other documents for this settlement, calculating and distributing payments
12 due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings,
13 withholdings, and remittances, providing necessary reports and declarations, and other duties and
14 responsibilities set forth herein to process this settlement, and as requested by the Parties. To the extent
15 actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess
16 amount will be deducted from the Total Settlement Amount, subject to approval by the Court. Any portion
17 of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact
18 required to fulfill payment to the Settlement Administrator to undertake the required settlement
19 administration duties will be part of the Net Settlement Amount for the benefit of Settlement Class
20 Members.

21 18. Labor and Workforce Development Agency Payment. Subject to approval by the Court,
22 the Parties agree that the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) from the Total
23 Settlement Amount will be allocated toward penalties under the Private Attorneys General Act,
24 California Labor Code Section 2698, *et seq.* (i.e., PAGA Penalty Amount), of which seventy-five percent
25 (75%), or \$7,500.00, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent
26 (25%) or, \$2,500.00, will be distributed to PAGA Members on a *pro rata* basis, based on Workweeks
27 during the PAGA Period (i.e., Individual PAGA Payment). Plaintiffs and Class Counsel will undertake
28 any and all disclosures required to be made to the LWDA in conformity with PAGA.

1 19. Individual Settlement Share and Individual PAGA Payment Calculations. Class Members
2 shall not be required to submit a claim in order to receive a share of the Net Settlement Amount, and
3 PAGA Members shall not be required to submit a claim in order to receive a share of the PAGA Penalty
4 Amount, and no portion of the Total Settlement Amount shall revert to Defendant. Individual Settlement
5 Shares and Individual PAGA Payments will be calculated and apportioned based on the Workweeks, as
6 follows:

7 a. The Settlement Administrator will divide the final Net Settlement Amount by the
8 Workweeks of all Settlement Class Members during the Class Period to yield the “Class Workweek
9 Value,” and multiply each Settlement Class Member’s individual Workweeks during the Class Period by
10 the Class Workweek Value to yield his or her Individual Settlement Share. If any Class Member submits
11 a timely and valid Request for Exclusion, his or her Individual Settlement Share will remain part of the
12 Net Settlement Amount and will proportionally increase each Settlement Class Member’s Individual
13 Settlement Share.

14 b. To determine the Individual PAGA Payment for each PAGA Member, the
15 Settlement Administrator will divide the 25% portion of the PAGA Penalty Amount attributed to PAGA
16 Members, i.e., \$2,500.00, by the total number of Workweeks worked by all PAGA Members during the
17 PAGA Period (“Total PAGA Workweeks”) resulting in the PAGA Workweek Value and then
18 multiplying the PAGA Workweek Value by the number of Workweeks worked by each individual
19 PAGA Member during the PAGA Period.

20 20. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
21 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
22 are issued to the payee. It is expressly understood and agreed that payments made under this settlement
23 shall not in any way entitle Plaintiffs or any Settlement Class Member to additional compensation or
24 benefits under any new or additional compensation or benefits, or any bonus, contest or other
25 compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiffs
26 or any Settlement Class Member to any increased retirement, 401K benefits or matching benefits, or
27 deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or
28 compensation plan document that might have been in effect during the Class Period).

21. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

22. Notice by First-Class U.S. Mail.

a. Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will perform a search based on the National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class Notice in English and Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

b. With respect to Class Notices that are returned as undeliverable on or before the Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-trace and re-mail the Class Notice within five (5) calendar days.

23. Dispute Regarding Workweeks. Class Members and/or PAGA Members will have an opportunity to dispute the number of Workweeks to which they have been credited, as reflected in their respective Class Notices. In order to dispute Workweeks, Class Members must submit a written letter to the Settlement Administrator that: (a) contains the case name and number of the Action, (b) is signed by the Class Member and/or PAGA Member, (c) contains the full name, address, telephone number, and the last four digits of the Social Security Number of the disputing Class Member and/or PAGA Member, (d) clearly states that the Class Member and/or PAGA Member disputes the number of Workweeks credited to him or her and what he or she contends is the correct number to be credited to him or her, (e) includes information and/or attaches documentation demonstrating that the number of Workweeks that he or she contends should be credited to him or her are correct, and (f) is returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The date of the postmark on the mailing envelope on the submission will be the exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks to be credited to a disputing Class Member and/or PAGA Member, Defendant's records will be presumed correct and determinative of the dispute.

1 However, if a Class Member and/or PAGA Member produces information and/or documents to the
2 contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and
3 the Settlement Administrator will resolve and determine the number of eligible Workweeks that the
4 disputing Class Member and/or PAGA Member should be credited with under the Settlement. The
5 Settlement Administrator shall promptly provide copies of all challenges to calculation of Workweeks to
6 Defense Counsel and Class Counsel and the Administrator's determination regarding each challenge.

7 24. Settlement Checks. The Settlement Administrator will be responsible for undertaking
8 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
9 of check to the Settlement Class Members and, if applicable, the Individual PAGA Payments by way of
10 Individual PAGA Payment check to the PAGA Members, in accordance with this Settlement
11 Agreement. The Settlement Administrator may, at its discretion, distribute the Individual Settlement
12 Payment and Individual PAGA Payment by way of a single check that combines both payments (if
13 applicable). Each Settlement check will be valid and negotiable for ninety (90) calendar days from the
14 date the checks are issued, and thereafter, shall be cancelled. All funds associated with such cancelled
15 checks will be transmitted to the California Unclaimed Property Fund, State Controller's Office, in
16 accordance with California Code of Civil Procedure section 384. Pursuant to Code of Civil Procedure
17 section 384, the Court shall set a date when Plaintiffs shall report to the Court the total amount that was
18 actually paid to Settlement Class Members. After this report is received, the Court shall amend the
19 judgment and direct the Settlement Administrator to pay the sum of the unpaid residue or unclaimed or
20 abandoned class member funds, plus any interest that has accrued on those funds, to the California
21 Unclaimed Property Fund, State Controller's Office. The Settlement Administrator shall undertake
22 amended and/or supplemental tax filings and reporting, required under applicable local, state, and
23 federal tax laws, that are necessitated due to the cancellation of any Individual Settlement Payment
24 checks or Individual PAGA Payment checks. All Settlement Class Members and PAGA Members shall
25 be bound by the terms and conditions of this Settlement Agreement regardless of whether they cash or
26 otherwise negotiate their Individual Settlement Payment check and/or Individual PAGA Payment check
27 or not.

28 25. Procedure for Requesting Exclusion from the Class Settlement. Any Class Member

wishing to be excluded from the Class Settlement must submit a written Request for Exclusion to the Settlement Administrator, by mail, within the Response Deadline. The date of the postmark on the mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who validly requests to be excluded from the Class Settlement will not be a Settlement Class Member and will not have any right to object, appeal, or comment on the Class Settlement; however, if the Class Member worked during the PAGA Period, he or she will be a PAGA Member, will still receive an Individual PAGA Payment, and will be bound by the PAGA Settlement regardless of whether he or she has submitted a timely and valid Request for Exclusion.

26. Settlement Terms Bind All Class Members Who Do Not Request Exclusion. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion (i.e., Settlement Class Members) will be bound by all of the terms of the Settlement Agreement, including and not limited to those pertaining to the Released Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the Settlement.

27. Procedures for Objecting to the Class Settlement. To object to the Class Settlement, Class Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) must submit a timely and complete Notice of Objection to the Settlement Administrator, Class Counsel and Defendant's Counsel, by mail, on or before the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and contain all information required by this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection orally at the Final Approval Hearing, regardless of whether they submitted a written objection.

1 28. Reports by the Settlement Administrator Regarding Settlement Administration. The
2 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which
3 certifies: (a) the number of Class Members and/or PAGA Members who have submitted a dispute of
4 Workweeks; (b) the number of Class Members who have submitted timely and valid Requests for
5 Exclusion or timely and complete Notices of Objection; and (c) the number of undeliverable and re-
6 mailed Class Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties
7 any updated reports regarding the administration of the Settlement Agreement as needed or requested,
8 and immediately notify the Parties when it receives a request from an individual or any other entity
9 regarding inclusion in the Class and/or Settlement.

10 29. Certification of Completion. Upon completion of administration of the Settlement, the
11 Settlement Administrator will provide a written declaration under oath to certify such completion to the
12 Court and counsel for all Parties.

13 30. Treatment of Individual Settlement Payments. Each Individual Settlement Share will be
14 allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties and interest. The
15 portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to interest
16 and penalties will be reported on an IRS Form-1099 by the Settlement Administrator. The Settlement
17 Administrator will withhold the employee's share of taxes and withholdings with respect to the wages
18 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their
19 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and
20 withholdings). Any payment for an Individual PAGA Payment will be allocated as penalties, will not
21 be subject to taxes or withholdings, and will be reported on an IRS Form-1099, if necessary. The
22 Settlement Administrator will have the option to pay the Individual Settlement Payment and Individual
23 PAGA Payment by way of a single check. The employer's share of taxes and contributions on the wages
24 portion of Individual Settlement Shares will be paid separately and in addition to the Total Settlement
25 Amount.

26 31. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
27 will be responsible for issuing to Plaintiffs, Settlement Class Members, and Class Counsel any W-2,
28 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement

1 Agreement. The Settlement Administrator will also be responsible for forwarding all payroll taxes,
2 contributions, and withholdings to the appropriate government authorities.

3 32. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not
4 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
5 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiffs and Settlement
6 Class Members understand and agree that Plaintiffs and Settlement Class Members will be solely
7 responsible for correctly characterizing any compensation received under the Settlement on his/her
8 personal income tax returns and paying any and all taxes due for any and all amounts paid to them under
9 the Settlement.

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

1 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
2 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
3 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
4 BY THIS SETTLEMENT AGREEMENT.

5 34. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
6 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
7 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
8 of action or right herein released and discharged.

9 35. Release of Claims by all Settlement Class Members. Upon the Effective Date and full
10 funding of the Total Settlement Amount, Plaintiffs and all Class Members who do not submit a timely
11 and valid Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally
12 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all
13 Released Class Claims that he or she may have or had. In addition, all PAGA Members will be deemed
14 to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the
15 Released Parties of all Released PAGA Claims irrespective of whether they have submitted a Request
16 for Exclusion.

17 36. General Release of Claims by Plaintiffs. In addition, upon the Effective Date and full
18 funding of the Total Settlement Amount, each Plaintiff, on behalf of themselves individually, and in
19 addition to their releases of the Released Claims, expressly and further release against the Released Parties,
20 including any and all liabilities, claims, demands, contracts, debts, obligations and causes of action of any
21 nature, kind, and description, whether in law, equity or otherwise, whether or not now known or
22 ascertained, which currently do or may exist, including without limitation any matter, cause or claim
23 arising out of or related to facts or events occurring prior to the execution of this Settlement Agreement,
24 and/or arising from or relating in any way to Plaintiffs' employment with Defendant, including, but not
25 limited to, any and all rights and claims whether based on tort (including, but not limited to, any form of
26 negligence, including, but not limited to, negligent hiring, negligent retention, and/or negligent
27 supervision), contract, or any federal, state or local law, statute, act, order, constitution, or regulation,
28 including, but not limited to, claims for disparate treatment, disparate impact, harassment, discrimination,

1 retaliation, failure to take all reasonable steps to prevent discrimination and retaliation, failure to engage
2 in the interactive process, failure to provide a reasonable accommodation, wrongful termination in
3 violation of public policy, misclassification, unpaid minimum wages, unpaid overtime wages, off-the-
4 clock work, lost wages, commissions, bonuses, benefits, medical expenses, business expenses, severance,
5 failure to provide meal or rest periods or pay meal or rest period penalties, wage statement violations,
6 waiting time penalties, failure to timely pay earned wages during employment, failure to timely pay all
7 earned wages and final paychecks due at time of separation of employment, other employment
8 compensation, other economic and non-economic damages, penalties, liquidated damages, compensatory
9 damages, punitive damages, injunctive relief, reinstatement, attorneys' fees, costs, expenses and any other
10 statutory or common law claims relating to employment or the recruitment therefor or the termination
11 thereof; conversion, false promise, misrepresentation, fraud, malicious prosecution, breach of contract,
12 breach of covenant of good faith and fair dealing, fraudulent business practices, unfair competition,
13 whistleblowing, whistleblower retaliation, emotional distress, defamation, libel, slander, invasion of
14 privacy, violation of California Labor Code (including but not limited to §§ 132a, 226 and 1198.5 and the
15 Private Attorneys General Act), and any and all rights and claims arising under the Age Discrimination in
16 Employment Act of 1967, Rehabilitation Act, Employee Retirement Income Security Act, Title VII of the
17 Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, the Family and Medical Leave
18 Act, the Families First Coronavirus Response Act, the Genetic Information Nondiscrimination Act of
19 2008, the Workers Adjustment and Retraining Notification Act, the National Labor Relations Act,
20 Sections 1981 through 1988 of Title 42 of the United States Code, the California Equal Pay Law, the
21 California Fair Employment and Housing Act, the California Government Code, the California Family
22 Rights Act, the Los Angeles Municipal Code, the Fair Labor Standards Act, the Equal Pay Act of 1963,
23 the California Workers Adjustment and Retraining Notification Act, the California Business and
24 Professions Code, any California Industrial Welfare Commission Wage Order, the California Military &
25 Veterans Code, the California Civil Code, the California Corporations Code, the Unruh Civil Rights Act,
26 the California Domestic Violence and Sexual Assault Victim Leave Act, the California Whistleblower
27 Law, and the United States and California constitutions; and any and all claims that were asserted or that
28 could have been asserted based on the factual allegations that are asserted in the LWDA Letter, that were

1 pled in the Operative Complaint or that could have been pled based on the factual allegations that are pled
2 in the Operative Complaint. Plaintiffs also release Defendant and the Released Parties from any and all
3 obligations for attorneys' fees and costs incurred in regard to all claims. With respect to those claims
4 released by each Plaintiff in an individual capacity, each Plaintiff acknowledges and waives any and all
5 rights and benefits available under California Civil Code Section 1542, which provides:

6 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
7 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR
8 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.

9 Each Plaintiff understands and agrees that claims or facts in addition to or different from those which are
10 now known or believed by him or her to exist may hereafter be discovered. It is each Plaintiff's intention
11 to settle fully and release all claims he or she now has against the Released Parties, whether known or
12 unknown, suspected or unsuspected. The Enhancement Payments will be paid to each Plaintiff
13 specifically in exchange for the general release of the Released Parties from all claims, including those
14 specified in this paragraph and a covenant not to sue the Released Parties. Notwithstanding the above,
15 the general release by each Plaintiff shall not extend to claims for workers' compensation benefits, claims
16 for unemployment benefits, or other claims that may not be released by law.

17 37. Review and Revocation Period. This Settlement Agreement is executed voluntarily and
18 without duress or undue influence on the part of or on behalf of either of the Parties, or of any other person,
19 firm or other entity. Plaintiffs acknowledge and agree that Plaintiffs have been given forty-five (45) days
20 to review this Settlement Agreement and that Plaintiffs may execute this Settlement Agreement at any
21 time during this period. This Settlement Agreement may be revoked by Plaintiffs for a period of seven
22 (7) days following execution of the Settlement Agreement by Plaintiffs providing Defendant with written
23 notice of the revocation prior to the conclusion of the revocation period. This Settlement Agreement is
24 not effective until the seven (7) day revocation period has expired. Plaintiffs understand that the right of
25 revocation set forth in this section applies only to the release of any claim under the Age Discrimination
26 in Employment Act ("ADEA"). If Plaintiffs elect to revoke this Settlement Agreement for ADEA claims,
27 Defendant will have the option to: (i) enforce this Settlement Agreement in its totality, excluding waived
28 ADEA claims, or (ii) rescind the entire Settlement Agreement.

38. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

Upon execution of this Settlement Agreement, Plaintiffs shall promptly obtain a hearing date for Plaintiffs' Motion for Preliminary Approval of the Settlement, which Plaintiffs and Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the Preliminary Approval Motion within a reasonable amount of time before the filing deadline. Defendant agrees not to oppose the Motion for Preliminary Approval of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiffs as representatives of the Class;
- d. Preliminarily appointing Plaintiffs' Counsel as counsel for the Class;
- e. Approving, as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing to the Class by first class mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate as to the Settlement Class Members and PAGA Members.

39. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for (a) Individual Settlement Payments; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payments; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiffs and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the Final

Approval Motion within a reasonable amount of time before the filing deadline. By way of said motion, Plaintiffs will apply for the entry of the mutually-agreed upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;

b. Certification of the settlement Class;

c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

d. Approval of the application for Enhancement Payment to each Plaintiff;

e. Directing Defendant to fund all amounts due under the Settlement Agreement;

and

f. Entering judgment in the Action while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

40. Termination or Revocation of Settlement.

a. If five percent (5%) or more of the Class Members submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement Agreement. Defendant must exercise this right of rescission in writing that is provided to Class Counsel within twenty-one (21) calendar days of the Response Deadline. If Defendant exercises this option, Defendant shall remain responsible for paying any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

b. If the Court finds the Total Settlement Amount to be insufficient to warrant Preliminary Approval or Final Approval of the Settlement, Defendant may, at their election, rescind the Settlement Agreement and all actions taken in furtherance of it will thereby be null and void. Defendant must exercise this right of rescission in writing that is provided to Class Counsel. If Defendant exercises this option, Defendant shall remain responsible for paying any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

41. Effects of Termination of the Settlement. Termination of the Settlement Agreement shall have the following effects, except as otherwise specifically provided herein:

a. The Settlement Agreement shall be void and shall have no force or effect, and no

1 Party shall be bound by any of its terms;

2 b. In the event the Settlement Agreement is terminated, Defendant shall have no
3 obligation to make any payments to any Party, Class Member, Settlement Class Member or attorney;

4 c. The Preliminary Approval Order, Final Approval Order and Judgment, including
5 any order certifying the Class, shall be vacated;

6 d. The Settlement Agreement and all negotiations, statements and proceedings
7 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored
8 to their respective positions in the Action prior to the execution of the Settlement Agreement;

9 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
10 statements or filings in furtherance of the Settlement (including all matters associated with the mediation)
11 shall be admissible or offered into evidence in the Action or any other action for any purpose whatsoever;
12 and

13 f. Any documents generated to bring the Settlement into effect, will be null and
14 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
15 likewise be treated as void from the beginning.

16 42. Escalator Clause. Defendant represents that, for the period of April 27, 2018 to
17 approximately January 11, 2023, there were 21,134 Workweeks. If it is determined that the total number
18 of Workweeks during the period of April 27, 2018 – March 19, 2023 actually exceeds 21,134 by more
19 than ten percent (10%) (i.e., more than 23,247 Workweeks), then the Total Settlement Amount will be
20 increased on a proportional basis by the same number of percentage points above ten percent (10%).

21 43. Continued Jurisdiction. After entry of judgment pursuant to the Settlement, the Court
22 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section
23 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and
24 enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-
25 judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

26 44. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
27 terms set forth in any attached exhibits, which are incorporated by this reference as though fully set
28 forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

1 45. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
2 during Action and in this Settlement Agreement, related to the confidentiality of information shall
3 survived the execution of this Settlement Agreement. This Settlement shall remain confidential until the
4 Motion for Preliminary Approval of Class Action Settlement (“Motion for Preliminary Approval”) is filed
5 with the Court. Until that time, Plaintiffs and Class Counsel expressly agree that they shall not reveal,
6 disclose, divulge, advertise, post on the Internet or social media, or discuss, directly or indirectly, with
7 any person or any entity, in public or in private, the manner in which the Action has been resolved, the
8 nature of the Action, or any terms of this Settlement whatsoever. Plaintiffs and Class Counsel further
9 expressly agree that they will not publicize this Settlement in any manner, even anonymously, including,
10 without limitation, reporting to Jury Verdicts or any other reporting services. After the Motion for
11 Preliminary Approval is filed with the Court, Plaintiffs and Class Counsel expressly agree not to publicize
12 the name of the Defendant and settlement amount in any manner and shall refrain from posting
13 Defendant’s name on Class Counsel’s website or using Defendant’s name to advertise any alleged
14 recovery or settlement agreement by Class Counsel. Further, Plaintiffs and Class Counsel will undertake
15 any and all disclosures required to be made to the LWDA in conformity with PAGA.

16 46. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal.
17 Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by
18 Defendant in connection with the mediation, other settlement negotiations, or in connection with the
19 Settlement, may be used only with respect to the Settlement, and no other purpose, and may not be used
20 in any way that violates any existing contractual agreement, statute, or rule of court.

21 47. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
22 entirety of the Parties’ settlement terms. No other prior or contemporaneous written or oral agreements
23 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625
24 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be
25 construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the
26 Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
27 contradict the terms of this Settlement Agreement.

28 48. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the

1 Action (including with respect to California Code of Civil Procedure section 583.310), except such
2 proceedings necessary to implement and complete the Settlement Agreement, pending the Final
3 Approval Hearing to be conducted by the Court.

4 49. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of
5 this Settlement Agreement except by written agreement signed by counsel for all Parties, and subject to
6 any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement
7 will not constitute a waiver of any other provision.

8 50. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
9 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
10 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant
11 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
12 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
13 full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement
14 will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to
15 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
16 provisions that otherwise might apply under state or federal law.

17 51. Signatories. It is agreed that because the members of the Class are so numerous, it is
18 impossible or impractical to have each Class Member execute this Settlement Agreement. The Class
19 Notice will advise all Class Members of the binding nature of the release of claims under the Settlement.

20 52. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
21 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

22 53. California Law Governs. All terms of this Settlement Agreement and attached exhibits
23 hereto will be governed by and interpreted according to the laws of the State of California.

24 54. Execution and Counterparts. This Settlement Agreement is subject only to the execution
25 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
26 executed counterparts and each of them, including facsimile, electronic, and scanned copies of the
27 signature page, will be deemed to be one and the same instrument.

28 55. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this

1 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
2 this settlement after arm's-length negotiations and in the context of adversarial litigation, taking into
3 account all relevant factors, present and potential. The Parties further acknowledge that they are each
4 represented by competent counsel and that they have had an opportunity to consult with their counsel
5 regarding the fairness and reasonableness of this Settlement Agreement. In addition, the Mediator may
6 execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court
7 may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement
8 is objectively fair and reasonable.

9 56. Invalidity of Any Provision. Before declaring any provision of this Settlement
10 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
11 possible consistent with applicable precedents so as to define all provisions of this Settlement
12 Agreement valid and enforceable. If one or more of the provisions contained in this Settlement
13 Agreement is deemed or held invalid, illegal, or unenforceable in any respect, then the invalid, illegal, or
14 unenforceable provisions shall be deemed stricken and the remaining provisions shall remain valid, illegal
15 and enforceable including if Defendant's Counsel and Class Counsel, on behalf of the Parties and the
16 Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never
17 been included in this Settlement Agreement, as necessary, or in lieu of written amendment or modification.

18 57. Plaintiffs' Waiver of Right to Be Excluded. Plaintiffs agree to sign this Settlement
19 Agreement and, by signing this Settlement Agreement, each is hereby bound by the terms herein.

20 58. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve
21 the dispute that has arisen between them and to avoid the burden, expense and risk of continued
22 litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies,
23 that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated
24 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any
25 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in
26 any other unlawful conduct with respect to their employees. Neither this Settlement Agreement, nor
27 any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
28 admission or concession by Defendant of any such violations or failures to comply with any applicable

law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with state, federal, local or other applicable law.

59. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

60. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

61. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

62. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

63. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiffs and Class Counsel:

Justin F. Marquez, Esq.
WILSHIRE LAW FIRM, PLC
 3055 Wilshire Blvd., 12th Floor
 Los Angeles, CA 90010

To Defendant:

Scott K. Dauscher, Esq.
ATKINSON, ANDELSON, LOYA, RUUD
 12800 Center Court Drive, Suite 300
 Cerritos, California 90703

Jeffrey A. Risch, Esq.
AMUNDSEN DAVIS LLC
 3815 East Main Street, Suite A-1
 St. Charles, Illinois 60174

64. Posting of the Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Judgment on its website within three (3) business days of receipt, and Class Counsel shall cause copies of the Final Approval Order and Final Judgment to be submitted to the LWDA. No individualized notice to the Class will be required.

65. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

66. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendant:

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1 **IT IS SO AGREED.**

2
3
4 Dated: 9/7/2023, 2023

DocuSigned by:

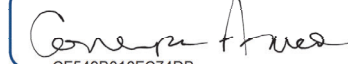


Amalia Navarro Canton, Plaintiff

6 **PLAINTIFF CONCEPCION MORALES AZEVEDO**

7
8 Dated: 9/6/2023, 2023

DocuSigned by:

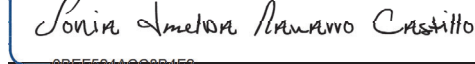


Concepcion Morales Azevedo, Plaintiff

10 **PLAINTIFF SONIA IMELDA NAVARRO CASTILLO**

11
12 Dated: 9/6/2023, 2023

DocuSigned by:

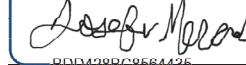


Sonia Imelda Navarro Castillo, Plaintiff

15 **PLAINTIFF JOSEFINA MERCADO**

16
17 Dated: 9/6/2023, 2023

DocuSigned by:

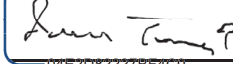


Josefina Mercado, Plaintiff

19 **PLAINTIFF JESUS TORRES RODRIGUEZ**

20
21 Dated: 8/31/2023, 2023

DocuSigned by:



Jesus Torres Rodriguez, Plaintiff

23 **DEFENDANT JOHN B. SANFILIPPO & SON, INC.**

24
25 Dated: 09/13/2023, 2023



Full Name: Julia Pronitcheva

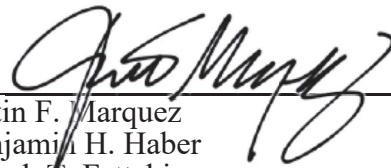
Title: SVP, Human Resources

On behalf of John B. Sanfilippo & Son, Inc.

1 **APPROVED AS TO FORM**

WILSHIRE LAW FIRM, PLC

2
3
4 Dated: September 7, 2023


Justin F. Marquez
Benjamin H. Haber
Arrash T. Fattahi
Attorneys for Plaintiffs Amalia Navarro Canton,
Concepcion Morales Azevedo, Sonia Imelda Navarro
Castillo, Josefina Mercado and Jesus Torres Rodriguez and
Proposed Class Counsel

ATKINSON, ANDELSON, LOYA, RUUD

5
6
7
8
9
10 Dated: September 13, 2023


Scott K. Dauscher

AMUNDSEN DAVIS, LLC

11
12
13
14 Dated: September 13, 2023


Jeffrey A. Risch

Attorneys for Defendant John B. Sanfilippo & Son, Inc.

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Exhibit A

NOTICE OF CLASS ACTION SETTLEMENT AND FINAL APPROVAL HEARING

Canton et al v. John B. Sanfilippo and Son, Inc.
Merced County Superior Court
Case No. 22CV-01145

**PLEASE READ THIS ENTIRE NOTICE CAREFULLY. YOUR RIGHTS
MAY BE AFFECTED BY THE PROPOSED SETTLEMENT
DESCRIBED IN THIS NOTICE**

A court authorized this Notice. This is not a solicitation. This is not a lawsuit against you, and you are not being sued. However, your legal rights may be affected whether you act or not.

**TO: NAME
ADDRESS**

I. WHY SHOULD I READ THIS NOTICE?

You received this Notice because your employment records indicate that you are eligible to receive a settlement payment as a Class Member under the proposed Settlement in the lawsuit titled *Canton et al. v. John B. Sanfilippo and Son, Inc.* (the “Lawsuit”) which is pending in Merced County Superior Court (the “Court”) as Case No. 22CV-01145.

This Notice is of a proposed settlement of a class action lawsuit and advises you of how you can either participate in this settlement to receive your share of the settlement proceeds, or how you can exclude yourself from the settlement.

II. WHAT IS THE LAWSUIT ABOUT?

Plaintiffs Amalia Navarro Canton, Concepcion Morales Azevedo, Sonia Imelda Navarro Castillo, Josefina Mercado, and Jesus Torres Rodriguez (the “Plaintiffs”) and John B. Sanfilippo and Son, Inc. (“JBSS”) are parties to *Canton et al. v. John B. Sanfilippo and Son, Inc.*, which is pending in Merced County Superior Court (the “Court”). The Plaintiffs brought this action on behalf of themselves and other similarly situated employees. In summary, the Plaintiffs alleged claims for: (1) failure to pay minimum wage and straight time wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to authorize and permit rest periods, (5) failure to timely pay final wages at termination, (6) failure to provide accurate itemized wage statements, (7) failure to indemnify employees for expenditures, (8) unfair business practices, and (9) civil penalties under PAGA.

Defendant has denied each and every allegation made by the Plaintiffs. The Court has not reached any decisions concerning the merits of the Lawsuit, and the Court has not ruled for or against the Plaintiffs as to the merits of any of their individual or class claims.

III. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Do Nothing	Class Members will not have to submit a claim form to receive a settlement payment. If you desire to participate in the settlement and receive your share of the settlement proceeds, you need not do anything and will receive a settlement payment. You will be bound by the Settlement Agreement, and you will give up the claims that are released by the Settlement Agreement. See Section VIII below for additional information.
Exclude Yourself	You are entitled to exclude yourself from the Settlement Class by timely submitting a valid, completed, signed Request for Exclusion Form . If you exclude yourself from the Settlement Class, you will not receive any payment under the Settlement. You will retain all of the claims that will be released by members of the Settlement Class. See Section X below for additional information.
Object	You are entitled to submit a timely written objection to the settlement. If the Settlement Agreement is approved after your objection, you will remain a member of the Settlement Class and will give up the claims that are released by the Settlement Agreement. See Section XI below for additional information.

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

IV. WHO IS COVERED BY THE CLASS ACTION LAWSUIT AND THE PROPOSED SETTLEMENT?

The Lawsuit is being settled as a class action. In a class action, the plaintiffs, also referred to as class representatives, sue on behalf of themselves and other persons with similar claims. The Court has conditionally approved a class for settlement purposes only. The settlement class ("Settlement Class") is defined as follows:

All current and former non-exempt employees of John B. Sanfilippo and Son, Inc. ("JBSS") within the State of California at any point from April 27, 2018 through DATE.

If the Court approves the settlement, the settlement will bind all members of the Settlement Class who have not excluded themselves from the Settlement Class. The Court has not yet determined that the Lawsuit could be litigated as a class action. If the Court does not approve this settlement, the conditional class certification will have no effect or precedential value in any subsequent proceedings in the Lawsuit or in any other litigation.

V. THE PROPOSED SETTLEMENT

The proposed Settlement was negotiated by the attorneys for the Class ("Class Counsel") and the Defendant ("Defendant's Counsel"). Class Counsel believes that this Settlement is the best interest of the members of the Settlement Class. The proposed Settlement has two main parts: (1) a Class Settlement of Individual Class Payments, and (2) a PAGA Settlement of Individual PAGA Class Payments and penalties to the California Labor and Workforce Development Agency ("LWDA").

The "Total Settlement Amount" of this action is \$487,500.00. In exchange for the release of claims (explained in [Section VI](#), below) and dismissal of the Lawsuit with prejudice, JBSS will provide the members of the Settlement Class monetary compensation of the Total Settlement Amount, less amounts awarded by the Court for attorneys' fees and costs; settlement administration costs; PAGA penalty amount and class representative payments awarded by the Court to the Plaintiffs. This remaining amount, payable to the Settlement Class, is the "Net Settlement Amount." The deductions from the Total Settlement Amount are as follows:

1. Class Counsel's Attorneys' Fees and Costs. You do not need to pay any portion of the attorneys' fees and costs incurred in this Lawsuit. Class Counsel will ask the Court to award attorneys' fees of up to \$162,500.00 (1/3 of the Total Settlement Value), and a cost award of up to \$25,000.00.
2. Plaintiffs' Service Award. Class counsel will ask the Court to authorize a Class Representative Payment of \$7,500.00 for each of the five (5) Plaintiffs, for a total of \$37,500.00. Plaintiffs will also be entitled to receive their respective shares of the Net Settlement Amount.
3. Settlement Administration Costs. The Settlement Administrator will be paid no more than \$7,625.00 for administering the proposed settlement, which includes such work as mailing this Notice, establishing and maintaining a settlement website, calculating Settlement Class Member Payments, mailing checks and tax forms, and reporting final data to the parties and to the Court.
4. PAGA Civil Penalty Amount. The California Labor and Workforce Development Agency ("LWDA") will be paid civil penalties in the amount of \$10,000.00 pursuant to the Private Attorneys General Act of 2004 ("PAGA").

VI. HOW MUCH CAN I EXPECT TO RECEIVE?

Assuming the Court approves the maximum amounts sought to be deducted from the Total Settlement Amount, the Net Settlement Amount is estimated at \$, with the average being approximately \$ per Settlement Class Member prior to tax withholdings. Based on JBSS's records, and the Parties' current assumptions, your Individual Class Payment is estimated to be \$ (less withholding) and your Individual PAGA Payment is estimated to be \$. The actual amount you may receive likely will be different and will depend on a number of factors. The above estimates are based on JBSS's records that you worked workweeks during the Class Period and workweeks during the PAGA Period. The amount payable to each individual will vary, as explained below.

Individual Class Payments and Individual PAGA Class Payments will be higher or lower depending on the number of workweeks that each Settlement Class Member worked. Specifically,

- Individual Class Payments – Each Settlement Class Member's Settlement Share shall be calculated by first summing (i) the number of workweeks he or she worked in a non-exempt position in California from April 27, 2018 through DATE. The sum of shall be the Settlement Class Member's "Workweeks." The combined Workweeks of all Settlement Class Member shall be the "Aggregate Workweeks." Each Settlement Class

Member's "Settlement Share Multiplier" shall be determined by dividing his or her Workweeks by the Aggregate Workweeks. Each Settlement Class Member's Settlement Share Multiplier shall then be multiplied by the Net Settlement Amount. The resulting product will be the Settlement Class Member's "Individual Class Payment."

- Individual PAGA Class Payments – Each Settlement Class Member's PAGA Settlement Share shall be calculated by first summing: (i) the number of workweeks he or she worked in a non-exempt position in California from **May 9, 2021 through DATE**. The sum of shall be the Settlement Class Member's "PAGA Workweeks." The combined PAGA Workweeks of all Settlement Class Member shall be the "Aggregate PAGA Workweeks." Each Settlement Class Member's "PAGA Settlement Share Multiplier" shall be determined by dividing his or her PAGA Workweeks by the Aggregate PAGA Workweeks. Each Settlement Class Member's PAGA Settlement Share Multiplier shall then be multiplied by the **\$**. The resulting product will be the Settlement Class Member's "Individual PAGA Class Payment."

The check for your Individual Class Payment and Individual PAGA Class Payment will be mailed by U.S. Mail to your most current known mailing address within fifteen **(15) days** after the Court enters Final Judgment and: (i) any appeals of the judgment are exhausted; or (ii) if no appeal is filed, the period for timely filing an appeal has expired. The earliest date on which the Final Judgment will become final is **DATE**.

Plaintiffs and JBSS are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to [e.g., interest, etc.] ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Settlement Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. Although Plaintiffs and JBSS have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

VII. SETTLEMENT CLASS REPRESENTATIVES AND CLASS COUNSEL

The Court has appointed the Plaintiffs as Settlement Class Representatives to represent the Settlement Class. The Court has appointed the following attorneys to represent the Settlement Class as Class Counsel:

Justin F. Marquez, Esq.
Benjamin H. Haber, Esq.
WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010

VIII. HOW WILL MY RIGHTS BE AFFECTED IF I DO NOT EXCLUDE MYSELF?

If the Court approves the settlement and it becomes Final, the Plaintiffs and all members of the Settlement Class who have not excluded themselves: (i) shall be deemed to have agreed that, except for the obligations imposed by this settlement, Defendants shall be forever released and discharged from all Released Claims (as defined below) and all Released PAGA Claims (as defined below), and (ii) shall be barred and enjoined from suing the Released Parties (as defined below) for any liability in any way related to or arising out of any Released Claim or Released PAGA Claim.

"Released Claims" are defined as: claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees or costs, damages, actions or causes of action which are reasonably related to the allegations and claims asserted in the Action and the Operative Complaint, arising during the Class Period, including but not limited to claims under the California Labor Code, California Industrial Welfare Commission Wage Orders, regulations, claims for restitution and other equitable relief and/or other provisions of law, failure to pay overtime wages, failure to pay minimum wages, failure to pay straight time wages, failure to provide compliant meal periods and associated premium pay, failure to authorize and permit compliant rest periods and associated premium pay, failure to provide compliant wage statements, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to maintain requisite payroll records, failure to reimburse necessary business expenses, unfair or unlawful business practices in violation of California Business and Professions Code § 17200, et seq., conversion or theft of labor, declaratory relief, accounting, injunctive relief, claims for penalties of any nature whatsoever, or any other benefit claimed, on account of allegations and claims which are reasonably related to the allegations and claims asserted in

the Operative Complaint. The release shall not apply to claims for workers' compensation benefits, unemployment insurance benefits, or any other claim or right that as a matter of law cannot be waived or released.

"Released PAGA Claims" are defined as: any and all claims for civil penalties under California Labor Code § 2698, *et seq.* ("PAGA"), arising out of the facts alleged in the LWDA Letter, arising during the PAGA Period, for failure to pay overtime wages, failure to pay minimum wages, failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to provide compliant wage statements, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to maintain requisite payroll records, and failure to reimburse necessary business expenses.

"Released Parties" means: JBSS and all of its present, former and future parent companies, predecessors, successors, subsidiaries, affiliates, shareholders, trustees, fiduciaries directors, officers, agents, employees, attorneys, insurers, and assigns of any of the foregoing.

IX. FINAL APPROVAL HEARING

A hearing (the "Final Approval Hearing") has been scheduled on **DATE, before the Court, Hon. Brian McCabe, in Courtroom 8 of the Merced County Superior Court, located at 2260 N Street, Merced, CA 95340**, at which time the Court will determine: (1) whether the proposed settlement should be approved as fair, reasonable and adequate to members of the Settlement Class; (2) whether the application of Settlement Class Counsel for an award of attorneys' fees and costs should be approved and in what amount; (3) whether the application for incentive awards for Plaintiffs should be approved and in what amount; (4) whether the settlement administrator's fees and costs should be approved and in what amount; (5) whether the LWDA Payment should be approved; and (6) whether a proposed Final Approval Order should be entered, dismissing the Lawsuit with prejudice. The motion for final approval will be on file with the Court no later than ten **(10) days** before the hearing and will be available for review after that date. The hearing may be continued (moved to another date) without further notice to the Class Members. It is not necessary for you to appear at this hearing, but you will likely want to appear if you have submitted an objection.

X. RIGHT TO BE EXCLUDED FROM THE SETTLEMENT

You may exclude yourself from the Settlement Class. To do so, you must provide written notice including: (1) *Canton et al v. John B. Sanfilippo and Son, Inc.*, Merced County Superior Court, Case No. 22CV-01145; (2) full name, signature, address, telephone number and last four digits of the social security number of the excluder; (3) dates of employment; and (4) clearly state that the excluder does not wish to be included in the Class Settlement and that the excluder is opting out of the Settlement Class; and return it to the Settlement Administrator at the address set forth in **Section XII** of this Notice, postmarked no later than **DATE**. If you request to be excluded from the settlement, you will not receive any benefit from the settlement, and you will not release any claims.

Any member of the Settlement Class who does not provide the Settlement Administrator with timely written notice that he or she is opting out of the Settlement Class shall be bound by all the terms and conditions of the settlement, including without limitation, the releases provided for in the Settlement Agreement and any Final Judgment entered by the Court.

XI. RIGHT TO OBJECT TO SETTLEMENT

If you are a Class Member, and you do not request exclusion from the settlement, you may object to the settlement before final approval of the settlement by the Court. However, if the Court rejects your objection, you will still be bound by the terms of the settlement, including the release, unless you have submitted a valid and timely request for exclusion. If you choose to object to the settlement, you may do so yourself or through an attorney that you hire and pay for yourself. Your objection shall include a written statement stating the: (1) *Canton et al v. John B. Sanfilippo and Son, Inc.*, Merced County Superior Court, Case No. 22CV-01145; (2) full name, signature, address, telephone number and last four digits of the social security number of the objector; (3) dates of employment; (4) reason(s) for any objection(s), including any and all documentation which support your objection(s); and (5) if the objector is represented by counsel, the name(s) and address(es) of the objector's counsel. **DO NOT FILE ANY OBJECTIONS WITH THE COURT.** Instead, you or your attorney must submit your written objection to the Settlement Administrator by mail and serve it on counsel for all Parties by no later than **DATE**, as follows:

Settlement Class Counsel:
Justin F. Marquez, Esq.
Benjamin H. Haber, Esq.
Wilshire Law Firm, PLC
3055 Wilshire Blvd., 12th Floor

Los Angeles, CA 90010

Defense Counsel:

Scott K. Dauscher, Esq.

Atkinson, Andelson, Loya, Ruud

12800 Center Court Drive, Suite 300

Cerritos, California 90703

Jeffrey A. Risch, Esq.

AMUNDSEN DAVIS LLC

3815 East Main Street, Suite A-1

St. Charles, Illinois 60174

XII. SETTLEMENT ADMINISTRATOR

The settlement process will be administered by Apex Class Action LLC (the “Settlement Administrator”), a company that provides settlement and administration services. The Court has approved Apex Class Action LLC to act as the Settlement Administrator for purposes of this settlement. Any notices to the Administrator should be sent to:

CONTACT INFORMATION

XIII. IMPORTANT SETTLEMENT DATES AND DEADLINES

The following are important dates and deadlines under the proposed settlement:

Exclusion Deadline:

DATE

Objection Deadline:

DATE

Final Approval Hearing:

DATE

Cash Payment Checks:

The front of every check issued for Individual Class Payment and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled.

XIV. ADDITIONAL INFORMATION

For more detailed information concerning the matters involved in the Lawsuit, please refer to the pleadings, the Settlement Agreement, the Orders entered in the Lawsuit, and to the other papers filed in the Lawsuit. These are available from the administrator by calling Toll-Free: **NUMBER**. They may also be inspected in person at the Office of the Clerk of the Merced County Superior Court, during regular business hours.

Any questions concerning the matters contained in this Notice may be directed to the Settlement Administrator or Settlement Class Counsel (at the addresses set forth above in **Sections VII and XII** of this Notice). You may also seek the advice and counsel of your own attorney, at your own expense, if you desire.

**Do Not Call Or Write The Court To Obtain Copies Of Documents Or
To Ask Questions About The Settlement.**

Exhibit 2

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

2/22/2024
Accrual Basis

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
COS					
Mediation Fees					
	10/20/2022	5028	Mediation Fee	6,250.00	6,250.00
Total MEDIATION FEES				6,250.00	6,250.00
Expert Fees					
	1/27/2023	7389	Expert Fees	4,920.00	4,920.00
Total EXPERT FEES				4,920.00	4,920.00
Legal Expenses					
	5/6/2022	846308554	Legal Research	56.03	56.03
	5/11/2022	104271	PAGA Fee	75.00	75.00
	7/21/2022		CourtCall	94.00	94.00
	8/5/2022		Document Retrieval	0.14	0.14
	8/5/2022		Document Retrieval	0.14	0.14
	8/5/2022		Document Retrieval	0.14	0.14
	8/5/2022		Document Retrieval	7.00	7.00
	8/5/2022		Document Retrieval	7.00	7.00
	8/5/2022		Document Retrieval	7.00	7.00
	11/22/2022		CourtCall	94.00	94.00
	2/8/2023		CourtCall	94.00	94.00
	5/9/2023		Document Retrieval	0.07	0.07
	5/10/2023		Document Retrieval	0.07	0.07
	5/11/2023		Document Retrieval	0.07	0.07
	5/12/2023		Document Retrieval	0.07	0.07
	5/13/2023		Document Retrieval	0.07	0.07
	5/14/2023		Document Retrieval	0.07	0.07
	5/15/2023		Document Retrieval	3.50	3.50
	5/16/2023		Document Retrieval	3.50	3.50
	5/17/2023		Document Retrieval	3.50	3.50
	5/18/2023		Document Retrieval	3.50	3.50
	5/19/2023		Document Retrieval	3.50	3.50
	5/20/2023		Document Retrieval	3.50	3.50
	7/11/2023		CourtCall	72.00	72.00
	7/11/2023		CourtCall	72.00	72.00
	9/13/2023	7072D9F3-0005-B	Legal Research	68.49	68.49
	9/13/2023	7072D9F3-0005-C	Legal Research	68.49	68.49
	9/13/2023	7072D9F3-0005-D	Legal Research	68.49	68.49
	11/15/2023	7072D9F3-0006-A	Legal Research	68.49	68.49
	11/15/2023	7072D9F3-0006-B	Legal Research	82.19	82.19
	11/15/2023	7072D9F3-0006-C	Legal Research	95.89	95.89
	11/15/2023	7072D9F3-0006-D	Legal Research	95.89	95.89
	11/20/2023		CourtCall	72.00	72.00
	12/1/2023		Document Retrieval	3.00	3.00
	12/1/2023		Document Retrieval	0.06	0.06
Total LEGAL EXPENSES				1,222.86	1,222.86
Process Service Fees					
	5/4/2022		Attorney Services	1,663.50	1,663.50
	5/24/2022		Attorney Services	45.00	45.00
	5/17/2022	47694	Attorney Services	141.00	141.00
	8/4/2022		Attorney Services	464.56	464.56
	8/15/2022		Attorney Services	146.95	146.95
	9/12/2022		Attorney Services	16.57	16.57
	10/20/2022		Attorney Services	38.35	38.35
	11/4/2022		Attorney Services	17.60	17.60
	11/4/2022		Attorney Services	17.60	17.60
	11/4/2022		Attorney Services	17.60	17.60
	11/8/2022		Attorney Services	17.60	17.60
	11/17/2022		Attorney Services	17.60	17.60
	11/28/2022		Attorney Services	172.18	172.18
	1/23/2023		Attorney Services	18.07	18.07

	5/3/2023		Attorney Services	38.81	38.81
	5/9/2023	59186	Attorney Services	93.95	93.95
	5/10/2023		Attorney Services	18.07	18.07
	7/7/2023	20750889	Attorney Services	18.07	18.07
	8/19/2023	20978373	Attorney Services	38.81	38.81
	9/1/2023	21082318	Attorney Services	18.07	18.07
	9/1/2023	21082560	Attorney Services	18.07	18.07
	11/1/2023	21468643	Attorney Services	79.99	79.99
	11/1/2023	21538480	Attorney Services	18.07	18.07
	12/18/2023	21754826	Attorney Services	18.07	18.07
Total PROCESS SERVICE FEES				3,154.16	3,154.16
Other Costs					
	3/16/2022		Case Administration Fee for In House Services	500.00	500.00
	5/6/2022	E-1469029	Printing Cost	1.00	1.00
	5/9/2022	E-2989507	Printing Cost	6.50	6.50
	5/10/2022	E-1018282	Postage Cost	6.33	6.33
	5/10/2022	E-1018281	Postage Cost	6.33	6.33
	10/27/2022	E-2980623	Printing Cost	13.50	13.50
	1/12/2023		Lunch during mediation	99.88	99.88
	1/23/2023	E-2991384	Printing Cost	7.00	7.00
	6/30/2023	E-3150857	Printing Cost	1.89	1.89
	8/25/2023	E-3140831	Postage Cost	21.08	21.08
Total OTHER COSTS				663.51	663.51
TOTAL				16,210.53	16,210.53

Exhibit 3



ELM Solutions

2022 Real Rate Report[®]

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

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Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors¹ that drive rates²:

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

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

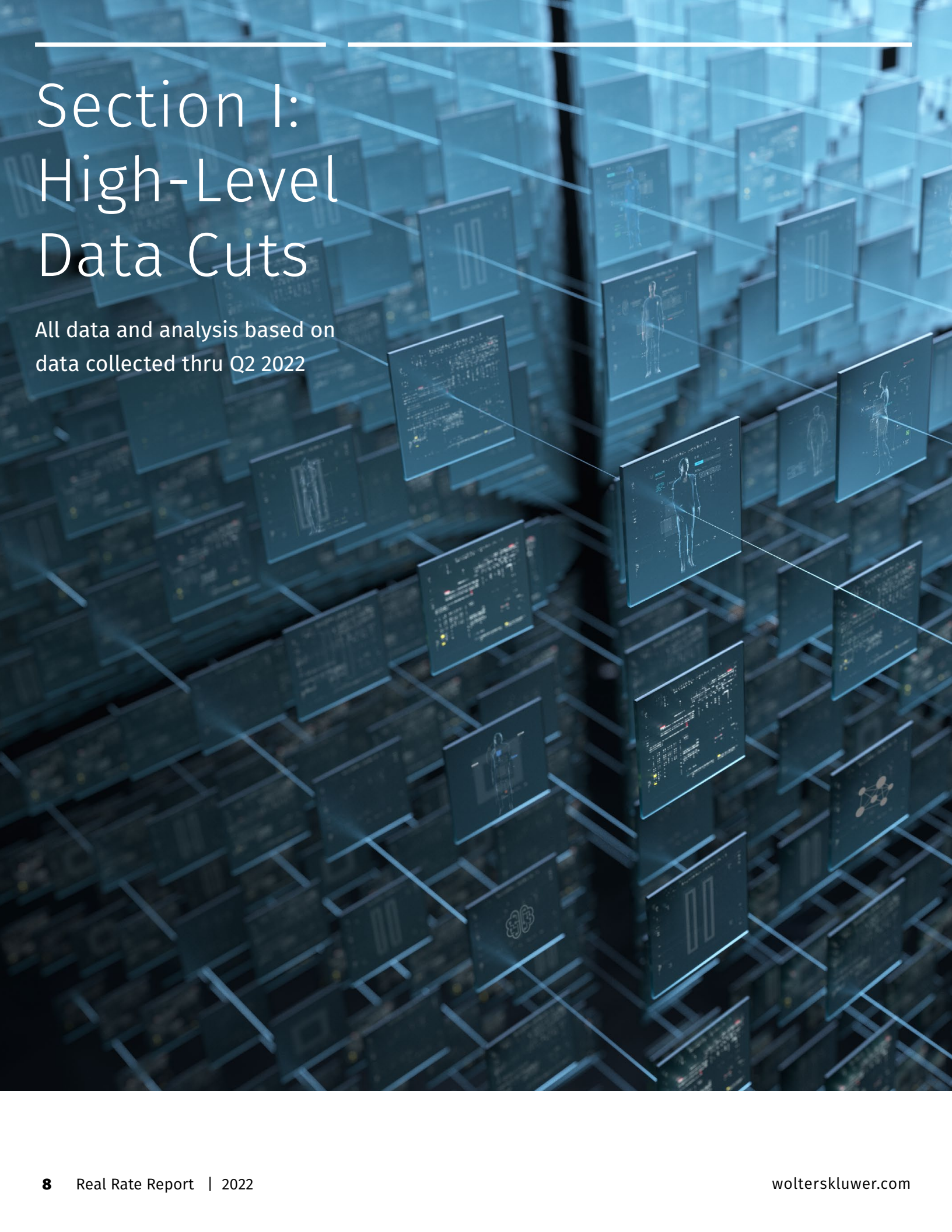
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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

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

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

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

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



Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

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



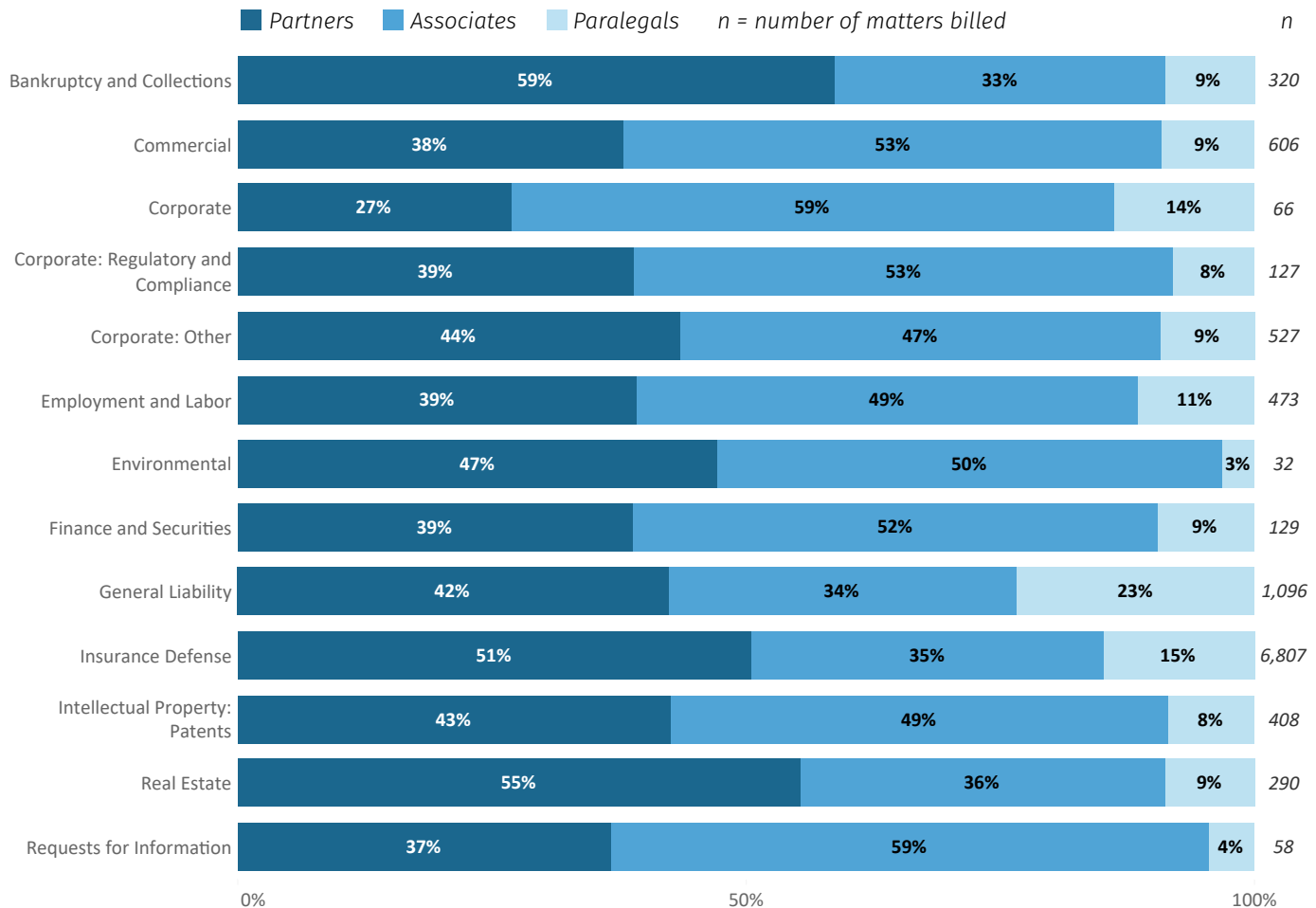
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate¹

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

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

Employment and Labor

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

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

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

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

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

General Liability

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

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

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

Exhibit 4

Free Newsletter Sign Up

Business & Practice

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

By Roy Strom

Column

June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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



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

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

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

Documents

[Trustee's Objection](#)

Related Articles

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

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

Law Firms

Simpson Thacher
Hogan Lovells
Jones Day
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Latham & Watkins
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Topics

expert fees
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acquisitions
U.S. trustees
financial markets
client-paid legal fees
data breaches

Companies

Johnson & Johnson
Thomson Reuters Corp

Amalia Navarro Canton, et al. v. John B. Sanfilippo & Son, Inc., et al.
22CV-01145

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

On February 22, 2024, I served the foregoing **DECLARATION OF JUSTIN F. MARQUEZ IN SUPPORT OF PLAINTIFFS' MOTION FINAL APPROVAL OF CLASS ACTION SETTLEMENT**, on the interested parties by placing a true copy thereof, enclosed in a sealed envelope by following one of the methods of service as follows:

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 3815 E. Main Street, Suite A-1
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(X) **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known email address or e-mail of record in this action.

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

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

Executed this **February 22, 2024**, at Los Angeles, California.


Min Jee Kim