

Tyler Woods (SBN 232464)
tyler.woods@wilshirelawfirm.com
Alan Wilcox (SBN 287476)
alan.wilcox@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff

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

JAIME FARIAS, individually, and on behalf of
all others similarly situated,

Plaintiff,

v.

LABOR RESOURCE GROUP, INC., a
California corporation, CEMCO, INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 34-2022-00324254-CU-OE-GDS

Consolidated with 34-2022-00327461-CU-
OE-GDS

CLASS & REPRESENTATIVE ACTION

*[Assigned for all purposes to: Hon. Lauri A.
Damrell, Dept. 22]*

**DECLARATION OF TYLER J. WOODS
IN SUPPORT OF PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT**

FINAL APPROVAL HEARING

Date: October 24, 2025

Time: 9:00 a.m.

Dept.: 22

Complaint filed: July 26, 2022

FAC filed: June 24, 2024

SAC filed: February 5, 2025

Trial date: Not set

DECLARATION OF TYLER J. WOODS

I, Tyler J. Woods, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California 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 (“WLF”), counsel of record for Plaintiff Jaime Farias (“Plaintiff”). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiff’s Motion for Final Approval of Class Action Settlement (the “Motion”).

CASE BACKGROUND

2. This is a wage and hour class action and Private Attorneys General Act (“PAGA”) (Cal. Lab. Code §§ 2699, et seq.) representative action. Plaintiff and putative class members worked in California as hourly-paid or non-exempt employees for Defendants during the class period. Defendants Labor Resource Group, Inc. and CEMCO, Inc. (“Defendants”) are construction companies that specialize in painting, drywall, cementing, and plastering.

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

4. On July 26, 2022, Plaintiff filed a putative wage-and-hour class action complaint against Defendants 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 and 512); (5) failure to timely pay final wages at termination (Labor Code §§ 201-203); (6) failure to provide accurate itemized wage

statements (Labor Code § 226); (7) failure to indemnify employees for expenditures (Labor Code § 2802); and (8) unfair business practices (Business and Professions Code 17200 et seq.). (Id. at ¶ 4.) On September 29, 2022, Plaintiff filed a separate action against Defendants for civil penalties under Private Attorneys General Act “PAGA” (Labor Code §§ 2698, et seq.). On January 19, 2024, the Court consolidated the independently filed Class and PAGA actions, designating the Class Action as the lead case. Plaintiff sent a notice to Defendants and the California Labor & Workforce Development Agency (“LWDA”) alleging similar wage and hour violations pursuant to the PAGA (Cal. Lab. Code §§ 2699, et seq.) on July 26, 2022. On June 20, 2024, Plaintiff amended his LWDA notice for settlement purposes to include claims for the failure to pay vested vacation wages upon termination and the failure to pay sick leave. Four days later, on June 24, 2024, Plaintiff filed a first amended complaint in the class action matter (“Class FAC”) adding the following causes of action for the failure to pay vested vacation wages upon termination and the failure to pay sick leave. On September 13, 2024, following the exhaustion of the 65-day statutory period in the PAGA action, the Parties submitted a stipulation, along with a redlined PAGA FAC and clean copy of the PAGA FAC for the Court’s review and approval. On January 31, 2025, the Parties filed a Joint Stipulation For Leave to File Second Amended Class and Representative Action Complaint, which was granted on February 5, 2025. On February 5, 2025, Plaintiff filed a Second Amended Complaint, which added the claim against Defendants for civil penalties under the PAGA and removed any claim against Defendants for failure to pay vested vacation wages upon termination. Defendants vehemently deny that they engaged in the unlawful conduct alleged in Plaintiff’s Complaints.

DISCOVERY, INVESTIGATION, AND SETTLEMENT

5. Following the filing of the Complaint, the Parties exchanged formal discovery. In October 2022, Defendants propounded discovery on Plaintiff. However, Defendants’ Counsel and Plaintiff’s Counsel had disputes regarding extensions and responding to discovery. The Parties’ Counsel participated in an Informal Discovery Conference, during which the discovery issues were remedied. Following the IDC, Defendants retained new counsel, who were interested in mediation. In preparation for mediation, the Parties exchanged documents and information. Defendants

1 produced a sample of time and pay records for class members. Defendants also provided
2 documents of their wage and hour policies and practices during the class period, and information
3 regarding the total number of current and former employees in their informal discovery responses.

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

10 SETTLEMENT NEGOTIATIONS

11 7. On October 26, 2023, the Parties participated in private mediation with experienced
12 class action mediator, Lisa Klerman, Esq. The mediation was conducted via Zoom. The settlement
13 negotiations were at arm's length and, although conducted in a professional manner, were
14 adversarial. The Parties went into the mediation willing to explore the potential for a settlement
15 of the dispute, but each side was also prepared to litigate their position through trial and appeal if
16 a settlement had not been reached. After extensive negotiations and discussions regarding the
17 strengths and weaknesses of Plaintiff's claims and Defendants' defenses, the Parties reached a
18 settlement, the material terms of which are encompassed within the Settlement Agreement.
19 Attached as Exhibit 1 is a true and correct copy of the Class Action and PAGA Settlement
20 Agreement and Class Notice (the "Settlement Agreement").

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

27 9. Plaintiff filed their Motion for Preliminary Approval of Class Action Settlement on
28 September 18, 2024. (Woods Decl., ¶ 9.) On October 10, 2025, the Court denied Plaintiff's Motion

1 for Preliminary Approval without prejudice. (Id.) Plaintiff filed a renewed Motion for Preliminary
2 Approval of Class Action Settlement on April 29, 2025. On May 23, 2025, the Court granted
3 Plaintiff's Motion for Preliminary Approval. The deadline for class members to opt out or object
4 to the Settlement was August 26, 2025. (Id.) The reaction of the Class to the settlement so far has
5 been overwhelmingly positive. Indeed, as of the filing of this Motion, **no** Class Member has opted
6 out of the settlement and **no** Class Member has objected to the settlement.

7 10. The settlement obviates the significant risk that the Court may deny certification of
8 all or some of Plaintiff's claims. While Plaintiff is confident in the merits of their claims, a
9 legitimate controversy exists as to each cause of action. Plaintiff also recognizes that proving the
10 amount of wages due to each class member would be an expensive, time-consuming, and uncertain
11 proposition. Furthermore, even if Plaintiff obtained certification of all or some of the claims,
12 continued litigation would be expensive, involving a trial and possible appeals, and would
13 substantially delay and reduce any recovery by the class.

14 11. The proposed Settlement Agreement was provided to the LWDA in advance of
15 Plaintiff's filing of the Motion for Preliminary Approval of Class Action Settlement. Attached as
16 **Exhibit 2** is a true and correct copy of proof of Plaintiff's submission of the Settlement Agreement
17 to the LWDA.

18 ENHANCEMENT AWARDS FOR PLAINTIFF IS REASONABLE

19 12. Class Counsel represents that Plaintiff devoted a great deal of time and work
20 assisting counsel in the case, communicated with counsel very frequently for litigation and to
21 prepare for mediation, and was frequently in contact with Class Counsel during the mediation.
22 Plaintiff's requested enhancement awards are reasonable particularly in light of the substantial
23 benefits Plaintiff generated for all class members.

24 13. Throughout this litigation, Plaintiff, who is a former employee of Defendants, has
25 cooperated immensely with my office and has taken many actions to protect the interests of the
26 class. Plaintiff provided valuable information regarding the off-the-clock, meal period, and rest
27 period claims. Plaintiff also informed my office of developments and information relevant to this
28 action, participated in decisions concerning this action, and made himself available to answer

1 questions during the mediation. Before we filed this case, Plaintiff provided my office with
2 documents regarding the claims alleged in this action. The information and documentation
3 provided by Plaintiff was instrumental in establishing the wage and hour violations alleged in this
4 action, and the recovery provided for in the Settlement Agreement would have been impossible to
5 obtain without Plaintiff's participation.

6 14. At the same time, Plaintiff faced many risks in adding themselves as the class
7 representative in this matter. Plaintiff faced actual risks with their future employment, as putting
8 themselves on public record in an employment lawsuit could also very well affect their likelihood for
9 future employment. Furthermore, as part of this settlement, Plaintiff is executing general releases
10 of all claims against Defendants.

11 15. In turn, class members will now have the opportunity to participate in a settlement,
12 reimbursing them for alleged wage violations they may have never known about on their own or
13 been willing to pursue on their own. If these class members would have each tried to pursue their
14 legal remedies on their own, that would have resulted in each having to expend a significant amount
15 of their own monetary resources and time, which were obviated by Plaintiff putting themselves on
16 the line on behalf of these other class members.

17 16. In the final analysis, this class action would not have been possible without the aid
18 of Plaintiff, who put their own time and effort into this litigation, sacrificed the value of their own
19 individual claims, and placed themselves at risk for the sake of the class members. The requested
20 enhancement awards for Plaintiff for their services as the class representatives and for their general
21 release of all individual claims is a relatively small amount of money when the time and effort put
22 into the litigation are considered and in comparison to enhancements granted in other class actions.
23 The requested incentive award is therefore reasonable to compensate Plaintiff for their active
24 participation in this lawsuit.

25 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

26 17. The settlement provides for attorneys' fees and costs to Class Counsel in an amount
27 up to 33 1/3% of the Gross Settlement Amount, for a maximum fees award of \$283,333.33, plus
28 reasonable litigation expenses of up to \$25,000.00.

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

Person	Role	Hours	Rate	Lodestar
Alan Wilcox	Senior Attorney	14	\$900	\$12,600
Tyler J. Woods	Senior Partner	10.9	\$1,200	\$13,080
Peter Horton	Senior Attorney	11	\$1,000	\$11,000
Justin F. Marquez	Senior Partner	45	\$1,500	\$67,500
Bradford Smith	Settlement Attorney	16	\$575	\$9,200
Arsiné Grigoryan	Associate Attorney	100	\$800	\$80,000
Total:		182.9		\$193,380

19. Wilshire Law Firm, PLC has spent approximately 182.9 hours, for a lodestar of \$193,380 litigating this action to bring it to resolution, not including time which will be expended monitoring the administration of the settlement and distribution of funds to the Class Members. efforts expended by Plaintiff's counsel to achieve this result include, but are not limited to, the following:

- a. the investigation of the matter, including meeting with Plaintiff, reviewing Defendants' policies, and requesting and reviewing Plaintiff's time and pay records, personnel files, and exploring the corporate structure of Defendants;
- b. filing the action;
- c. attending hearings and meeting and conferring with Defendants regarding the case;
- d. meeting and conferring with Defendants regarding mediation, exchange of informal discovery beforehand, and negotiating with opposing counsel regarding the parameters thereof;
- e. selecting a mediator and mediation date;
- f. working with opposing counsel and an expert consultant for the receipt of a representative sampling and analyzing the same with the aid of expert consultant and Plaintiff to perform analyses of liability and exposure prior to attendance of the mediation in this matter;
- g. reviewing policy documents from Defendants and researching applicable defenses;

- h. preparation of a mediation brief and damages model for use at mediation;
- i. attendance at mediation by all Parties and Counsel;
- j. communicating with Plaintiff who requested updates or other information regarding this matter;
- k. engaging in settlement negotiations, followed by finalizing and fully executing the Settlement Agreement;
- l. preparing and assisting in the drafting of the Motion for Preliminary Approval of Class Action Settlement and supporting documents.
- m. communicating with class members who sought additional information regarding the settlement, including answering questions regarding the settlement;
- n. 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
- o. preparing the instant Motion 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 attorneys' 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 Defendants fails to pay.

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

1 successful in pursuing this class action. In that case, we would have been left with no compensation
2 for all the time taken in litigating this case. The contingent risk in these types of cases is very real
3 and they do occur regularly. Furthermore, we were precluded from focusing on, or taking on, other
4 cases which could have resulted in a larger, and less risky, monetary gain.

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

14 26. As of the date of filing this Motion, Class Counsel has incurred around \$19,238.88
15 in costs, and Defendants have agreed that they will not oppose any cost award request up to
16 \$25,000.00. Accordingly, Class Counsel respectfully requests reimbursements of \$19,238.88 in
17 expenses, which should be reimbursed in full. Attached as **Exhibit 3** is a list of billing records for
18 specific tasks performed on the case. And the hours spent on each task. Attached as **Exhibit 4** is a
19 list of the costs and the categories of costs for the costs incurred in this case to date by Wilshire
20 Law Firm, PLC.

21 **PLAINTIFF'S COUNSEL'S EXPERIENCE AND QUALIFICATIONS**

22 27. Plaintiff is represented by Wilshire Law Firm, PLC. The attorneys at WLF
23 performed significant work and expended litigation costs in prosecuting this matter with no
24 guarantee of payment.

25 28. WLF was selected by Best Lawyers and U.S. News & World Report as one of the
26 nation's Best Law Firms for every year since 2020 and is comprised of more than 100 attorneys
27 and over 600 employees. WLF is actively and continuously practicing in employment litigation,
28

1 representing employees in both individual and class actions in both state and federal courts
2 throughout California.

3 29. WLF is qualified to handle this Litigation because its attorneys are experienced in
4 litigating Labor Code violations in both individual, class action, and representative action cases.
5 WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as
6 well as class actions involving consumer rights and data privacy litigation.

7 30. I graduated from the University of California, Davis in 1999 with a Bachelor of Arts
8 degree in Communications with minors in Spanish and Psychology. I received by Juris Doctor
9 from USC Gould School of Law in 2004.

10 31. Upon graduating from law school in 2004, I worked for international firm
11 McDermott Will & Emery LLP practicing general litigation which included employment law
12 matters. Since 2010, and exclusively since 2013, my practice has focused on labor and
13 employment matters including handling wage and hour class, collective, and representative actions
14 (including the California Private Attorneys general Act or “PAGA”), including at the law firms of
15 McDermott Will & Emery LLP (where I was a partner), Pacific Trial Attorneys (where I was a
16 partner), and labor and employment powerhouse Fisher Phillips (where I was a partner and head
17 of Fisher Phillips Class Action Practice Group). During my time at these law firms, I was the lead
18 trial counsel or took a major leading role in defending employers on numerous wage and hour
19 class, collective, and representative actions. Under my leadership as lead counsel during my tenure
20 as defense counsel I successfully defeated class certification of a potential 10,000 plus class as lead
21 counsel on behalf of a nationwide quick service restaurant during my time as defense counsel and
22 negotiated several wage and hour class actions that were subsequently approved by the Courts.

23 32. In late March 2024, I left Fisher Phillips and joined my current firm, WLF, to
24 represent plaintiff employees. I have been and am handling many wage and hour class and
25 representative actions litigating such matters on behalf of plaintiff employees in numerous Superior
26 Courts. From matters representing both plaintiff and defendants, I have successfully mediated the
27 resolution of many wage and hour class, collective, and representative actions.

1 33. In July 2025, I obtained a jury verdict in excess of \$6,000,000 in a wage and hour
2 case in Los Angeles Superior Court against Javier’s Cantina & Grill (Los Angeles Superior Court
3 Case No. 19STCV36438).

4 34. I have received numerous awards for my legal work. For example, from 2009-2011
5 and 2014, I was listed as a Rising Star in Los Angeles Super Lawyers (Thomas Reuters). I have
6 also served on numerous prominent boards and in other leadership positions, including currently
7 serving on the board of the Orange County Chapter of the California Restaurants Association.

8 35. I have also presented monthly webinars on labor and employment issues to hundreds
9 of participants since 2022, including on wage and hour issues. For example, I presented “10
10 Reasons Employers Get Sued (and How to Avoid These Mistakes” (while a partner with Fisher
11 Phillips) and “Key Insights for Hospitality Employers: Arbitration Agreements 101” (while a
12 partner with Fisher Phillips).

13 36. My current contingent billing rate of \$1,200 per hour is consistent with my actual
14 billing rate for my practice area, experience, legal market, and accepted hourly rate. The
15 reasonableness of my firm’s hourly rates is also supported by several surveys of legal rates,
16 including the following:

17 37. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the
18 real market rates of Los Angeles area attorneys who practice litigation. For that category, the third
19 quartile 2022 rate was \$1,045 per hour for partners and \$855 for associates. Likewise, page 32 of
20 the Report describes the rates charged by 183 Los Angeles partners with “21 or more years of
21 experience” and “Fewer than 21 years.” For those categories, the third quartile Los Angeles partner
22 rate in 2022 were \$1,133 per hour for 21 or more years and \$1,075 for attorneys with fewer than
23 21 years. A true and correct copy of portions of the 2022 Real Rate Report is attached hereto as
24 **Exhibit 5.**

25 38. In an article entitled “Big Law Rates Topping \$2,000 Leave Value ‘In Eye of
26 Beholder,’” written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author
27 describes how Big Law firms have crossed the \$2,000-per hour rate. The article also notes that law
28

1 firm rates have been increasing by just under 3% per year. A true and correct copy of this article
2 is attached hereto as **Exhibit 6**.

3 39. Alan Wilcox is a Senior Attorney at Wilshire Law Firm. He graduated from the
4 University of California, Berkeley in 2007, and graduated from Pepperdine University's School of
5 Law and became a member of the California State Bar in 2012. Throughout his career, Alan has
6 represented clients in both state and federal Courts in a wide variety of matters, including contract
7 disputes, wrongful foreclosure, unlawful detainer, divorce, product defect, tort, and employment
8 matters. From 2014 to the present, he has exclusively practiced complex civil litigation
9 representing plaintiff employees in employment matters. He has handled both individual wrongful
10 discharge and collective wage and hour actions, with the class action and PAGA matters including
11 Flores v. Aqua Terra Culinary, Inc., Monterey Superior Court Case No. 17CV002672, Garcia v.
12 Construction Innovations Group, LLC, Sacramento Superior Court Case No. 34-2020-00285239,
13 Kim v. Sheraton Operating Corp., Central District of California Case No. 2:17-cv-09247-FMO-E,
14 Pease v. Wattrans, Inc., San Bernardino Superior Court Case No. CIVDS1919832, and Lachman
15 v. Berlitz Languages, Inc., Los Angeles Superior Court Case No. 19STCV01533, among others.

16 40. Justin F. Marquez¹ is a former Senior Partner at Wilshire Law Firm who was
17 actively involved in the litigation and resolution of this matter from its inception through December
18 2024.¹ He graduated from University of California, Los Angeles's College Honors Program in
19 2004 with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi Beta*
20 *Kappa*. His practice focused primarily on advocating for the rights of consumers and employees
21 in class action litigation and appellate litigation. He received numerous awards for his legal work:
22 from 2017 to 2020, Super Lawyers selected him as a "Southern California Rising Star," and from
23 2022 to 2025, he was selected as a "Southern California Super Lawyer"; he was selected as one of
24 the "Best Lawyers in America" from 2023 to 2025; and in 2024, he, along with his colleagues at
25 Wilshire Law Firm, received a CLAY (California Lawyer Attorneys of the Year) award for their

26
27 ¹ Justin F. Marquez, Peter Horton, Bradford Smith, and Arsiné Grigoryan are no longer employed by Wilshire Law
28 Firm, PLC. I have reviewed the files maintained by the firm in this matter to determine what work was performed by
whom. The hours they worked on this matter have been conservatively estimated based on how much would have
been spent on those in the past and their billing rates are listed above in the table.

1 work on a false advertising case against Apple which ultimately led to a \$25 million settlement.
2 He also was selected to speak at multiple CELA conferences throughout his career – in 2019, he
3 spoke on the topic of manageability of class actions at CELA’s 2019 Advanced Wage & Hour
4 Seminar, and in 2024, he spoke on the topic of dealings with multiple cases against the same
5 defendant at CELA’s 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead in
6 negotiating class action settlements worth over \$10 million in gross recovery to class members for
7 each year since 2020, including over \$37.5 million in 2022 and over \$75 million in 2023.

8 41. Peter Horton is a former Associate Attorney at my office who focused on the
9 representation of clients in Class Action and PAGA matters. He earned his Bachelor of Arts degree
10 from California State University San Marco in Literature and Writing in 2000. He obtained his
11 Juris Doctor degree from California Western School of Law in 2002, and has practiced in State
12 and Federal Courts since 2003 as both Plaintiff and Defense Counsel. Since 2003, Mr. Horton has
13 worked as a litigator. He has represented clients in criminal, civil and arbitration matters. Since
14 2015, his practice has focused on labor and employment matters including handling wage and hour
15 class, collective and representative actions (including the California Private Attorneys General Act,
16 or “PAGA”), FEHA claims, whistle blower actions and 1st amendment claims. Prior to joining
17 Wilshire Law Firm, Mr. Horton was the Managing Litigation Attorney at Lawyers for Employee
18 and Consumer Rights (LFECR). At LFECR, and represented and/or oversaw hundreds of wage
19 and hour matters filed on an individual basis in State and Federal courts as well as matters in
20 arbitration. In addition, he represented clients in Class and PAGA matters that resulted in numerous
21 settlements approved by the Courts:

- 22 a. Franklin v. Desert Haven, Case Nos. BCV-23-101153 and BCV-23- 1011829
23 (Kern County): a \$1,750,000.00 settlement for approximately 693 Class
24 Members;
25 b. Cisneros v. ALOM Technologies Corp., Case No. 23CV037671
26 (Alameda County): a \$310,530.00 PAGA only settlement for 716
27 Aggrieved Employees;
28

- c. Calderon v. CELS Enterprises, Case No. CIVSB2308785 (San Bernardino County): a \$500,000.00 settlement for 275 Class Members;
- d. Del Villar v. THA Heating and Air, Case No. 37-2024-00001497-CU-OE-CTL (San Diego County): a \$180,000.00 settlement for 166 Class Members;
- e. Kelly v. Conrad Forest, Case No. CV-23-004867 (Stanislaus County): a \$900,000.00 settlement for 263 Class Members;
- f. Gomez Ledesma v. Pro Youth, Case No. VCU302539 (Tulare County): a \$350,000.00 PAGA only settlement for 1,557 Aggrieved Employees;
- g. Gonzalez v. Almansor Court, Case No. 23STCV12272 (Los Angeles County): a \$250,000.00 PAGA only settlement for 83 Aggrieved Employees

42. Arsiné Grigoryan is a former Associate Attorney at my office. She earned two Bachelor of Arts degrees from the University of California, Berkeley in (1) Political Science with an emphasis on international relations and (2) Media Studies. She obtained her Juris Doctor degree from Southwestern Law School. She is presently admitted to practice in all state courts of California (admitted in 2017) and before all federal district courts in California. The focus of her practice at Wilshire Law Firm is currently on class action wage-and-hour law, including Private Attorneys General Act of 2004 (“PAGA”) matters. Prior to joining Wilshire Law Firm, PLC, she worked at a law firm specializing in wage-and-hour class action cases. She is also handling more than a dozen active class action matters currently pending and prosecuting multiple PAGA collective action matters in various courts throughout the State of California.

43. Bradford Smith is a former Settlement Attorney at Wilshire Law Firm. He graduated from the University of California, Irvine with a Bachelor of Arts in History and received his Juris Doctor from Loyola Law School, Los Angeles in 2022. He was admitted to practice law in the State of California in 2022. Before joining Wilshire Law Firm, he worked at a law firm specializing in insurance defense litigation. His focus now is on wage and hour class action litigation.

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

Executed on October 2, 2025, in Los Angeles, California.



Tyler Woods

Exhibit 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Jaime Farias (“Plaintiff”) and defendants Labor Resource Group, Inc. (“LRG”) and CEMCO, Inc. (“CEMCO”; LRG and CEMCO are referred to collectively as “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s consolidated lawsuit alleging wage and hour violations against Defendants captioned *Jaime Farias v. Labor Resource Group, Inc., et al.*, *Sacramento County Superior Court, Case Nos. 34-2022-00324254-CU-OE-GDS* and initiated on July 26, 2022 (the “Class Action”); and *34-2022-00327461-CU-OE-GDS*, initiated on September 29, 2022 (the “PAGA Action”), with the Class Action as the lead case.
- 1.2. “Administrator” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendants in California and classified as an hourly-paid or non-exempt employee who worked for Defendants during the PAGA Period.
- 1.5. “Class” or “Class Members” means all current and former hourly-paid, non-exempt employees of Defendants who were employed by Defendants within the State of California during the Class Period.
- 1.6. “Class Counsel” means Molly Ann DeSario and Arsiné Grigoryan of Wilshire Law Firm, PLC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

- 1.9. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.10. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation, if applicable, in the form, without material variation, attached as Exhibit 1 and incorporated by reference into this Agreement.
- 1.11. “Class Period” means the period from July 26, 2018 to October 31, 2023.
- 1.12. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.13. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.14. “Court” means the Superior Court of California, County of Sacramento.
- 1.15. “Defendants” means named Defendants Labor Resource Group, Inc. and CEMCO, Inc.
- 1.16. “Defense Counsel” means Lisa V. Ryan and Zachary H. Rankin of Cook Brown LLP.
- 1.17. “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 Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating 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.
- 1.18. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.19. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.20. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.21. “Gross Settlement Amount” means \$850,000.00 which is the total amount Defendants agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and the Administrator’s Expenses Payment.
- 1.22. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.23. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked by the Aggrieved Employee.
- 1.24. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.28. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.30. “PAGA Period” means the period from September 29, 2021 to October 31, 2023.
- 1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.32. “PAGA Notice” means Plaintiff’s July 26, 2022 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

- 1.33. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,500.00) and the 75% to LWDA (\$22,500.00) in settlement of PAGA claims.
- 1.34. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.35. "Plaintiff" means Jaime Farias, the named plaintiff in the Action.
- 1.36. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.37. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.38. "Released Class Claims" means the Class Action claims being released as described in Paragraph 5.2 below.
- 1.39. "Released PAGA Claims" means the PAGA claims being released as described in Paragraph 5.3 below.
- 1.40. "Released Parties" means: Defendants and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, employees, managers, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers, and their respective predecessors in interest, parent companies, and affiliates.
- 1.41. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.42. "Response Deadline" means sixty (60) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.43. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.44. "Workweek" means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On July 26, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Periods, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees for Expenditures, and Unfair Business Practices. On September 29, 2022, Plaintiff filed a PAGA representative action against Defendants. On January 19, 2024, the Court consolidated both actions, designating the Class Action as the lead case.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On October 26, 2023, the Parties participated in an all-day mediation presided over by Lisa Klerman, Esq. which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through formal discovery, documents relevant to this case, including Plaintiff's personnel files, a sampling of time and pay data for the Class Members, and policy documents related to Plaintiff's claims. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.5. On June 24, 2024, Plaintiff filed a First Amended Class Complaint to add additional causes of action to the July 26, 2022, Class Action Complaint. On September 13, 2024, Plaintiff filed a First Amended PAGA Complaint which similarly added additional causes of action to the September 29, 2022, PAGA Complaint. On January 31, 2025, Plaintiff filed a Second Amended Complaint which consolidated Plaintiff's Class Action and PAGA Actions into one pleading, and removed all class and PAGA claims that were premised upon unpaid vacation wages (the "Operative Complaint"). Defendants deny the allegations in the Operative Complaint; deny any failure to comply with the laws identified in the Operative Complaint; and deny any and all liability or wrongdoing whatsoever with regard to the Action and any causes of action alleged.
- 2.6. The Court has not granted class certification.
- 2.7. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants promises to pay \$850,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of

the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment, hold Defendants harmless, and indemnify Defendants from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be \$283,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendants will not oppose requests for these payments provided they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$15,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$15,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks during the Class Period.
- 3.2.4.1. Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. Participating Class Members shall hold harmless Defendants, Class Counsel and Released Parties from any claim or liability for taxes, penalties, or interest arising because of the Individual Settlement Share.
- 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$30,000.00 to be paid from the Gross Settlement Amount, with seventy-five percent (75%) of which (\$22,500.00) will be allocated to the LWDA as the LWDA PAGA Payment and twenty-five percent (25%) of which (\$7,500.00) will be allocated to the Aggrieved Employees as their Individual PAGA Payments.
- 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' twenty-five percent (25%) share of PAGA Penalties (\$7,500.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA

Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate Class Members collectively worked a total of 16,950 Workweeks.
- 4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount in six equal quarterly payments made to the Settlement Administrator. The first quarterly payment will be due on February 29, 2024, with each additional payment due at the end of every third month thereafter. Defendants will also pay concurrently with the final payment the amount necessary to pay Defendants' shares of employer payroll taxes.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants fund the Gross Settlement Amount in full, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First

Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to a Court-approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) ("Cy Pres Recipient") Legal Aid At Work. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient. If the Court does not approve the *cy pres* recipient Legal Aid At Work, the Parties shall select a new *cy pres* recipient, with approval by the Court. Any Class Member who does not validly opt-out will be nevertheless bound by the terms of the agreement regardless of whether he or she cashes the check.

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

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and Plaintiff's respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge Released Parties of all claims that were or could have reasonably been raised in the Action based upon the facts alleged in the Operative Complaint, Plaintiff's PAGA Notice, and/or Plaintiff's Amended PAGA Notice, including but not limited to those claims released under Paragraph 5.2, below. ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, nor to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or claims based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were or could have reasonably been raised in the Action based upon the facts alleged in the Operative Complaint, including claims under Labor Code section 201, 202, 203, 204, 216, 218.5, 222, 223, 226, 226.3, 226.7, 245-248.5, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, California Industrial Welfare Commission Wage Orders, Cal. Code Regs., tit. 8, sections 3395 and 11000, et seq., California Business and Professions Code section 17200, et seq, and all class claims, sick pay claims, meal or rest and recovery period claims, meal or rest and recovery period premium claims, unpaid regular, overtime, and/or minimum wage claims, including but not limited to claims for failing to properly calculate the regular rate of pay for purposes of paying overtime and/or sick pay, meal and rest period premium payments, failing to pay all minimum and overtime wages for hours worked, failure to pay all wages owed upon separation of employment, failure to indemnify employees for all necessary expenditures, failure to provide accurate itemized wage statements and complete payments of wages at separation or termination, failure to provide accurate and itemized wage statements, unfair competition based on the foregoing, unlawful business practices based on the foregoing, fraudulent business practices based on the foregoing, waiting time penalties, interest, fees, costs, and any other claims that could have reasonably been raised based upon the facts alleged in the Operative Complaint

(collectively, the “Released Claims”). The Release Period for the claims set forth in this paragraph shall be the Class Period. Except as set forth in Paragraphs 5.1 and 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability benefits, social security benefits, workers’ compensation benefits, or claims based upon facts occurring outside the Class Period.

- 5.3 PAGA Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice. Aggrieved Employees’ release applies only to those claims arising during the PAGA Period.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff agrees to prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

- 6.1 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and the Administrator and the proposed Cy Pres; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

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

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

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

7.4 Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, with Spanish translation, if applicable

substantially in the form attached to this Agreement as Exhibit 1. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked (not meter stamped) by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.1 and 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the

fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA

Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration in Court.

8. **CLASS SIZE ESTIMATES.** Based on its records, Defendants estimates that, as of the date of this Settlement Agreement, there are 16,950 Total Workweeks during the Class Period. If the total number of class member workweeks in the Class Period exceeds 16,950 by more than 10% (i.e., the total is more than 18,645 workweeks), then the Gross Settlement Amount shall be increased in proportion to the percentage increased in the number of workweeks in the Class Period in excess of 10%.

9. **DEFENDANTS’ RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but is not obligated, to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all

Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved

and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. **ADDITIONAL PROVISIONS.**

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

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or

subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this

Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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

as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Molly Ann DeSario (molly.desario@wilshirelawfirm.com)
Arsiné Grigoryan (agrigoryan@wilshirelawfirm.com)
Wilshire Law Firm
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010
Telephone: (213) 784-3830
Facsimile: (213) 381-9989

To Defendants:

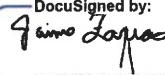
Lisa Ryan (lryan@cookbrown.com)
Zachary H. Rankin (zrankin@cookbrown.com)
Cook Brown LLP
2407 J Street, Second Floor
Sacramento, CA 95816
Telephone: (916) 442-3100
Facsimile: (916) 442-4227

- 12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19 Integration. This Agreement contains the Parties' entire agreement with regard to the Class Action and PAGA settlement discussed herein, and expressly supersedes, replaces, and renders null and void any prior Class Action and PAGA Settlement Agreement and Class Notice entered between the Parties in this Action. No modifications to this Agreement are effective unless in writing and signed by both Parties to the Agreement.
- 12.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

[SIGNATURES ON THE FOLLOWING PAGE]

PLAINTIFF:

Date: 3/28/2025

DocuSigned by:

6DF575EB452F47C...
Jaime Farias

DEFENDANTS:

LABOR RESOURCE GROUP, INC.

Date: 04/01/2025

By: 

Name: KENNETH M COHEN

Title: PRESIDENT

CEMCO, INC.

Date: 04/02/2025

By: 

Name: STEVE J HUNTER

Title: CFO

APPROVED AS TO FORM:

WILSHIRE LAW FIRM

Date: March 27, 2025


Molly Ann DeSario
Arsiné Grigoryan
Attorneys for Plaintiff

COOK BROWN LLP

Date: April 24, 2025


Lisa Ryan
Zachary H. Rankin
Attorneys for Defendants

Exhibit A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Jaime Farias v. Labor Resource Group, Inc., et al.

Sacramento County Superior Court, Case Nos. 34-2022-00324254-CU-OE-GDS; 34-2022-00327461-CU-OE-GDS

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit ("Action") against Labor Resource Group, Inc. and CEMCO, Inc. ("Defendants" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a former Defendant employee Jaime Farias ("Plaintiff") and seeks payment of (1) back wages and other relief for a class of hourly employees ("Class Members") who worked for Defendants in California during the Class Period (July 26, 2018 to October 31, 2023); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for Defendants during the PAGA Period (September 29, 2021 to October 31, 2023) ("Aggrieved Employees").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$_____ (less payroll withholdings) 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. (If no amount is stated for your Individual PAGA Payment, then according to Defendants' records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendants' records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [date]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue released PAGA claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [date]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or

	Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [date] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [date]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [date]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Defendant employee. The Action accuses Defendants of Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Periods, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees for Expenditures, and Unfair Business Practices. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Molly Ann DeSario, and Arsiné Grigoryan of Wilshire Law Firm, PLC ("Class Counsel.")

Defendants strongly deny violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$850,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement through six quarterly payments, the first of which being due on February 29, 2024. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$283,333.33 (33 1/3% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$15,000.00 to the Administrator for services administering the Settlement.
 - D. Up to \$30,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages

(“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes they owe on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants 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.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments 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, and the monies will irrevocably lost to you because they will be paid to a non-profit organization or foundation (“Cy Pres”).
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [date], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, CPT Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and

perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were or could have reasonably been raised in the Action based upon the facts alleged in the Operative Complaint, including claims under Labor Code section 201, 202, 203, 204, 216, 218.5, 222, 223, 226, 226.3, 226.7, 245-248.5, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, California Industrial Welfare Commission Wage Orders, Cal. Code Regs., tit. 8, sections 3395 and 11000, et seq., California Business and Professions Code section 17200, et seq., and all class claims, sick pay claims, meal or rest and recovery period claims, meal or rest and recovery period premium claims, unpaid regular, overtime, and/or minimum wage claims, including but not limited to claims for failing to properly calculate the regular rate of pay for purposes of paying overtime and/or sick pay, meal and rest period premium payments, failing to pay all minimum and overtime wages for hours worked, failure to pay all wages owed upon separation of employment, failure to indemnify employees for all necessary expenditures, failure to provide accurate itemized wage statements and complete payments of wages at separation or termination, failure to provide accurate and itemized wage statements, unfair competition based on the foregoing, unlawful business practices based on the foregoing, fraudulent business practices based on the foregoing, waiting time penalties, interest, fees, costs, and any other claims that could have reasonably been raised based upon the facts alleged in the Operative Complaint (collectively, the "Released Claims"). The Release Period for the claims set forth in this paragraph shall be the Class Period.

Except as set forth in Paragraphs 5.1 and 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability benefits, social security benefits, workers' compensation benefits, or claims based upon facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice. Aggrieved Employees' release applies only to those claims arising during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The

Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Farias v. Labor Resource Group, Inc. et al.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [date], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least [insert] days before the [date] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [url] or the Court's website <https://www.saccourt.ca.gov/>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish

to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [date].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Farias v. Labor Resource Group, Inc., et al.*, and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department 22 of the Sacramento Superior Court, located at 720 9th Street, Sacramento, California 95814. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via Zoom (<https://saccourt-ca-gov.zoomgov.com/my/sscdept22>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [www.etc.] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to [specify whose] website at [URL of website]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and entering the Case Number for the Action, Case No. 34-2022-00324254-CU-OE-GDS. You can also make an appointment to personally review court documents in the Civil Records Unit in the Gordon D. Schaber Sacramento County Courthouse Room 102 or by calling (916) 874-7186.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Molly Ann DeSario
molly.desario@wilshirelawfirm.com

Arsiné Grigoryan
agrigoryan@wilshirelawfirm.com
Wilshire Law Firm
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010
(213) 784-3830
Settlement Administrator:
[Name of Company]

[Email Address]
[Mailing Address]
[Telephone]
[Fax Number]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

Exhibit 2



State of California
Labor and Workforce Development Agency /
Department of Industrial Relations

Private Attorneys General Act (PAGA) – Filing

Proposed Settlement of PAGA case

PAGA Number (LWDA-CM-) : *

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXXXX-XX".

[Search for PAGA Case number](#)

The timing of the deposit of settlement checks is governed by the provisions of the State Administrative Manual. This ministerial, administrative act of depositing a settlement check mandated by state procedures should not be construed as nor does it constitute an unconditional, voluntary and/or absolute acceptance of settlement proceeds or approval of the terms of any settlement agreement or judgment related to that check.

Your Information (Person Who is Filing)

Your First Name *

Justin

Your Last Name *

Marquez

Your Email Address *

sandy.sespene@wilshirelawf

Your Street Name, Number and Suite/Apt *

3055 Wilshire Blvd., 12th Flo

Your Mobile Phone Number

Your City *

Los Angeles

Your Work Phone Number

2133819988

Your State *

California

Your Zip/Postal Code *

90010

Court and Hearing Information

Court *

Sacramento Superior Court

Court Case Number *

34-2022-00324254-CU-OF

Hearing Date (if any)

October 11, 2024

Hearing Time

9:00 a.m.

Hearing Location

Dept. 22 of Sacramento Sup

Number of aggrieved employees *

200

Gross settlement amount *

850,000

Gross penalty amount *

30,000

Penalties to LWDA *

22,500

Date of proposed settlement *

09/17/2024

Proposed Settlement and Other Documents

Proposed Settlement *

 2024 09-17 Labor Resource – Settle...nt Agreement (FULLY EXECUTED).pdf

Other Attachment (if any)

 No file selected.[Add Another Attachment](#)

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☒ I understand that, if I file, I must comply with the redaction rules consistent with this notice.

Sandy Sespene

From: DIR PAGA Unit <no-reply@formassembly.com>
Sent: Wednesday, September 18, 2024 10:39 AM
To: Sandy Sespene
Subject: Thank you for your Proposed Settlement Submission

09/18/2024 10:39:12 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

Exhibit 3

Date		Client/Matter	Description of Action Taken or Costs Incurred	Person Billing	Start 1	End 1	Start 2	End 2	Start 3	End 3	Start 4	End 4	Start 5	End 5	Start 6	End 6	Hours	Rate	Fees
24.9 TOTAL:																			\$25,680.00
4/24/2025		Lab. Res. Grp. (Fairas)	Called and emailed opposing counsel's Ryan and Rankin re: returning a signed copy of the revised settlement agreement. Left voicemails and sent an email. Rankin called me back and apologized, saying he was sending the agreement now. He thought his staff had sent it weeks ago. He offered to provide any assistance needed to get the motion filed.	Alan Wilcox	9:28 AM	9:42 AM	10:35 AM	10:42 AM									0.4	\$900.00	\$360.00
4/25/2025		Lab. Res. Grp. (Fairas)	Reviewed and revised the MPA.	Alan Wilcox	8:56 AM	11:52 AM	12:36 PM	1:25 PM									2.8	\$900.00	\$2,520.00
5/7/2025		Lab. Res. Grp. (Fairas)	Draft and revise Joint Case Management Statement	Woods	2:30 PM	2:50 PM											0.4	\$1,200.00	\$480.00
5/6/2025		Lab. Res. Grp. (Fairas)	Review and analyze OPC's revisions to Joint Case Management Statement, and revise Joint Case Management Statement accordingly	Woods	10:15 AM	10:30 AM											0.3	\$1,200.00	\$360.00
			Reviewed and analyzed the Court's tentative ruling on the MPA and prepared for the hearing on the MPA. Called opposing counsel Zachary Rankin to discuss. Left a voicemail.																
5/22/2025		Lab. Res. Grp. (Fairas)		Alan Wilcox	2:52 PM	3:10 PM	4:16 PM	4:19 PM									0.4	\$900.00	\$360.00
5/22/2025		Lab. Res. Grp. (Fairas)	Review and analyze Court's tentative ruling granting Motion for Preliminary Approval	Woods	3:11 PM	3:30 PM											0.4	\$1,200.00	\$480.00
6/6/2025		Lab. Res. Grp. (Fairas)	Reviewed the file and the Court's docket for the signed order granting the MPA, then instructed staff on serving it.	Alan Wilcox	8:43 AM	9:00 AM											0.3	\$900.00	\$270.00
6/12/2025		Lab. Res. Grp. (Fairas)	Review draft Notice of Class Action Settlement prior to providing to OPC.	Woods	5:12 PM	5:30 PM											0.4	\$1,200.00	\$480.00
6/16/2025		Lab. Res. Grp. (Fairas)	Review and analyze timeline provided by CPT Group to confer complies with Court orders	Woods	1:00 PM	1:22 PM											0.4	\$1,200.00	\$480.00
6/19/2025		Lab. Res. Grp. (Fairas)	Reviewed and analyzed the Administrator's timeline and calculations for distribution and responded.	Alan Wilcox	12:59 PM	1:49 PM											0.9	\$900.00	\$810.00
6/23/2025		Lab. Res. Grp. (Fairas)	Spot check preliminary calculations of distribution to ensure accurate	Woods	3:30 PM	4:30 PM											1.0	\$1,200.00	\$1,200.00
6/24/2025		Lab. Res. Grp. (Fairas)	Called opposing counsel to discuss funding of the settlement, per their request. Emailed Tyler to inform him of what was discussed.	Alan Wilcox	4:00 PM	4:25 PM											0.5	\$900.00	\$450.00
6/24/2025		Lab. Res. Grp. (Fairas)	Confer with and advise A. Wilcox regarding insured funding schedule	Woods	4:24 PM	4:30 PM											0.1	\$1,200.00	\$120.00
6/24/2025		Lab. Res. Grp. (Fairas)	Review final mailing notices prior to being sent out by CPT Group to ensure accurate and correct	Woods	12:42 PM	1:05 PM											0.4	\$1,200.00	\$480.00
6/25/2025		Lab. Res. Grp. (Fairas)	Reviewed and analyzed the Administrator's timeline and calculations for distribution and responded.	Alan Wilcox	1:47 PM	2:24 PM											0.7	\$900.00	\$630.00
7/14/2025		Lab. Res. Grp. (Fairas)	Analyze weekly report from CPT Group to determine if any objectors or opt outs	Woods	8:30 AM	8:38 AM											0.1	\$1,200.00	\$120.00
7/18/2025		Lab. Res. Grp. (Fairas)	Analyze weekly report from CPT Group to determine if any objectors or opt outs	Woods	9:00 AM	9:03 AM											0.1	\$1,200.00	\$120.00
8/1/2025		Lab. Res. Grp. (Fairas)	Analyze weekly report from CPT Group to determine if any objectors or opt outs	Woods	8:30 AM	8:38 AM											0.1	\$1,200.00	\$120.00
8/5/2025		Lab. Res. Grp. (Fairas)	Analyze weekly report from CPT Group to determine if any objectors or opt outs	Woods	8:30 AM	8:38 AM											0.1	\$1,200.00	\$120.00
8/22/2025		Lab. Res. Grp. (Fairas)	Analyze weekly report from CPT Group to determine if any objectors or opt outs	Woods	9:00 AM	9:03 AM											0.1	\$1,200.00	\$120.00
9/5/2025		Lab. Res. Grp. (Fairas)	Analyze weekly report from CPT Group to determine if any objectors or opt outs	Woods	8:45 AM	8:48 AM											0.1	\$1,200.00	\$120.00
9/12/2025		Lab. Res. Grp. (Fairas)	Analyze weekly report from CPT Group to determine if any objectors or opt outs	Woods	9:00 AM	9:03 AM											0.1	\$1,200.00	\$120.00
9/15/2025		Lab. Res. Grp. (Fairas)	Analyze report from CPT Group to determine if any objectors or opt outs	Woods	3:40 PM	3:45 PM											0.1	\$1,200.00	\$120.00
9/17/2025		Lab. Res. Grp. (Fairas)	Review, analyze and revise draft declaration from Y. Olivares of CPT Group	Woods	5:20 PM	5:45 PM											0.5	\$1,200.00	\$600.00
9/18/2025		Lab. Res. Grp. (Fairas)	Reviewed the Administrator's proposed compliance declaration and responded.	Alan Wilcox	5:42 PM	5:54 PM											0.2	\$900.00	\$180.00
9/19/2025		Lab. Res. Grp. (Fairas)	Analyze weekly report from CPT Group to determine if any objectors or opt outs	Woods	8:50 AM	8:53 AM											0.1	\$1,200.00	\$120.00
9/25/2025		Lab. Res. Grp. (Fairas)	Review and revise Motion for Final Approval	Woods	3:00 PM	4:25 PM											1.5	\$1,200.00	\$1,800.00
9/25/2025		Lab. Res. Grp. (Fairas)	Review and revise Declaration of T. Woods in support of Motion for Final Approval	Woods	4:25 PM	5:00 PM											0.6	\$1,200.00	\$720.00
9/25/2025		Lab. Res. Grp. (Fairas)	Review and revise Order Granting Motion for Final Approval	Woods	5:00 PM	5:15 PM											0.3	\$1,200.00	\$360.00
10/2/2025		Lab. Res. Grp. (Fairas)	Reviewed and revised the MPA.	Alan Wilcox	3:17 PM	18:00											2.8	\$900.00	\$2,520.00
10/2/2025		Lab. Res. Grp. (Fairas)	Further review and revise Declaration of T. Woods in Support of Motion for Final Approval	Woods	9:00 AM	10:20 AM	10:50 AM	10:55 AM	3:15 PM	5:00 PM							3.2	\$1,200.00	\$3,840.00
10/2/2025		Lab. Res. Grp. (Fairas)	Approval	Woods	10:20 AM	10:50 AM											0.5	\$1,200.00	\$600.00
Future		Lab. Res. Grp. (Fairas)	Prepare for and attend future hearings, communicate with opposing counsel and the Administrator, review Administrator timelines and calculations, and prepare future filings.	Alan Wilcox													5.0	\$900.00	\$4,500.00

Exhibit 4

Wishire Law Firm, PLC
Transaction Detail by Account
All Transactions

11/8/2024

Accrual Basis

COS	Type	Date	Num	Memo	Amount	Balance
Mediation Fees						
		4/20/2023	090623P	Mediation - Lisa Klerman	\$10,000.00	10,000.00
Total MEDIATION FEES					\$10,000.00	10,000.00
Consulting Fees						
		11/20/2023	9559	Consulting Fees - Berger Consulting Group, LLC	\$2,450.00	\$2,450.00
		1/23/2025	14300	Consulting Fees - Berger Consulting Group, LLC	\$315.00	\$2,765.00
		9/15/2023	INV94334-01	Consulting Fees - USA Express Legal & Investigation	\$2,550.00	\$5,315.00
Total CONSULTING FEES					\$5,315.00	5,315.00
Filing and Appearance Fees						
		09/16/2024	23730793-R1	Filing & Appearance Services - One Legal	15.39	15.39
		06/06/2024	22225290(2)	Filing & Appearance Services - One Legal	1.00	16.39
		08/15/2022	49415	Filing & Appearance Services - Valpro Attorney Services, LLC	1,718.50	1,734.89
		08/19/2022	49916	Filing & Appearance Services - Valpro Attorney Services, LLC	95.00	1,829.89
		11/17/2022	52765	Filing & Appearance Services - Valpro Attorney Services, LLC	135.00	1,964.89
		02/13/2023	55445	Filing & Appearance Services - Valpro Attorney Services, LLC	135.00	2,099.89
		03/16/2023	56883	Filing & Appearance Services - Valpro Attorney Services, LLC	300.00	2,399.89
		05/24/2023	59810	Filing & Appearance Services - Valpro Attorney Services, LLC	159.95	2,559.84
		06/05/2023	60182	Filing & Appearance Services - Valpro Attorney Services, LLC	135.00	2,694.84
		09/14/2023	64784	Filing & Appearance Services - Valpro Attorney Services, LLC	159.95	2,854.79
		09/26/2023	65344	Filing & Appearance Services - Valpro Attorney Services, LLC	135.00	2,989.79
		12/29/2023	69622	Filing & Appearance Services - Valpro Attorney Services, LLC	139.00	3,128.79
		02/13/2024	22225290	Filing & Appearance Services - One Legal	18.43	3,147.22
		04/05/2024	22609919	Filing & Appearance Services - One Legal	18.43	3,165.65
		06/20/2024	23161283	Filing & Appearance Services - One Legal	40.05	3,205.70
		06/25/2024	23185819	Filing & Appearance Services - One Legal	19.46	3,225.16
		09/16/2024	23730793	Filing & Appearance Services - One Legal	25.22	3,250.38
		09/18/2024	23759836	Filing & Appearance Services - One Legal	83.06	3,333.44
		09/23/2024	23768531	Filing & Appearance Services - One Legal	20.08	3,353.52
		09/26/2024	23816416	Filing & Appearance Services - One Legal	20.08	3,373.60
		11/21/2024	24185238	Filing & Appearance Services - One Legal	19.05	3,392.65
		01/31/2025	24619329	Filing & Appearance Services - One Legal	21.11	3,413.76
		01/31/2025	24625745	Filing & Appearance Services - One Legal	42.80	3,456.56
		02/10/2025	24660827	Filing & Appearance Services - One Legal	21.11	3,477.67
		04/03/2025	25070733	Filing & Appearance Services - One Legal	21.11	3,498.78
		04/30/2025	25267768	Filing & Appearance Services - One Legal	84.10	3,582.88
		05/08/2025	25333663	Filing & Appearance Services - One Legal	21.11	3,603.99
		06/17/2025	25604641	Filing & Appearance Services - One Legal	21.11	3,625.10
		07/27/2022		Filing & Appearance Services - Dept. of Industrial Relations	\$75.00	3,700.10
		06/16/2022	49906	Filing & Appearance Services - Valpro Attorney Services, LLC	\$150.00	3,850.10
		08/16/2022	49907	Filing & Appearance Services - Valpro Attorney Services, LLC	\$70.00	3,920.10
Total FILING & APPEARANCE FEES					\$3,920.10	3,920.10
Other Costs						
		9/17/2024	E-3237375	DocuSign Envelope	\$1.89	1.89
		2/22/2024	E-3190245	DocuSign Envelope	\$1.89	3.78
Total OTHER COSTS					\$3.78	3.78
TOTAL					\$19,238.88	19,238.88

Exhibit 5



ELM Solutions

2022 Real Rate Report[®]

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

Table of Contents - 2022 Real Rate Report

A Letter to Our Readers • 4

Report Use Considerations • 5

Section I: High-Level Data Cuts • 8

- Partners, Associates, and Paralegals
- Partners, Associates, and Paralegals by Practice Area and Matter Type
- Partners and Associates by City
- Partners and Associates by City and Matter Type
- Partners by City and Years of Experience
- Associates by City and Years of Experience
- Partners and Associates by Firm Size and Matter Type

Section II: Industry Analysis • 63

- Partners, Associates, and Paralegals by Industry Group
- Partners and Associates by Industry Group and Matter Type
- Basic Materials and Utilities
- Consumer Goods
- Consumer Services
- Financials (Excluding Insurance)
- Health Care
- Industrials
- Technology and Telecommunications

Section III: Practice Area Analysis • 84

- Bankruptcy and Collections
- Commercial
- Corporate: Mergers, Acquisitions, and Divestitures
- Corporate: Regulatory and Compliance
- Corporate: Other
- Employment and Labor
- Environmental
- Finance and Securities
- General Liability (Litigation Only)
- Insurance Defense (Litigation Only)
- Intellectual Property: Patents
- Intellectual Property: Trademarks
- Intellectual Property: Other
- Real Estate

Section IV: In-Depth Analysis for Select US Cities • 172

- Boston, MA
- Chicago, IL
- Los Angeles, CA
- New York, NY
- Philadelphia, PA
- San Francisco, CA
- Washington, DC

Section V: International Analysis • 191

Section VI: Matter Staffing Analysis • 221

Appendix: Data Methodology • 226

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).

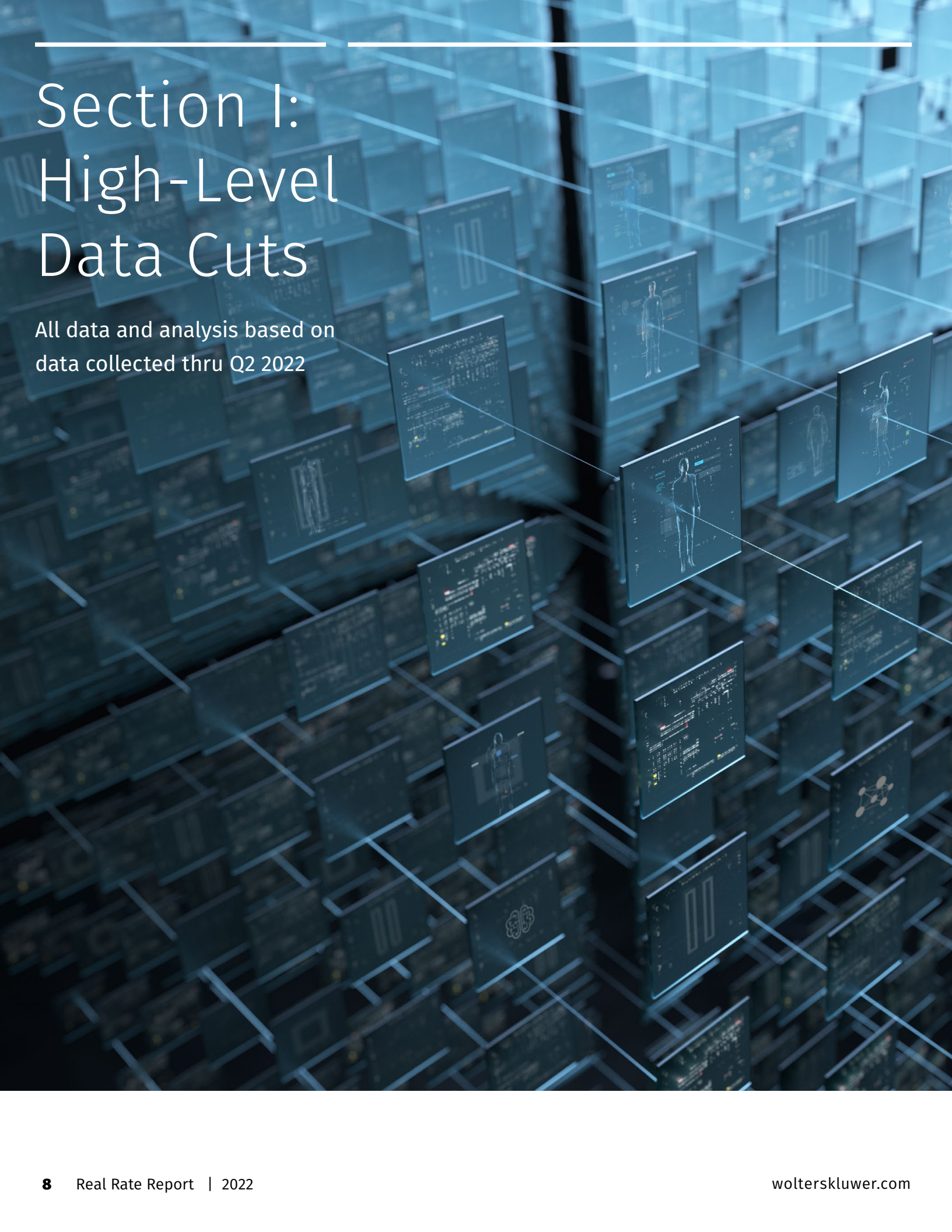
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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

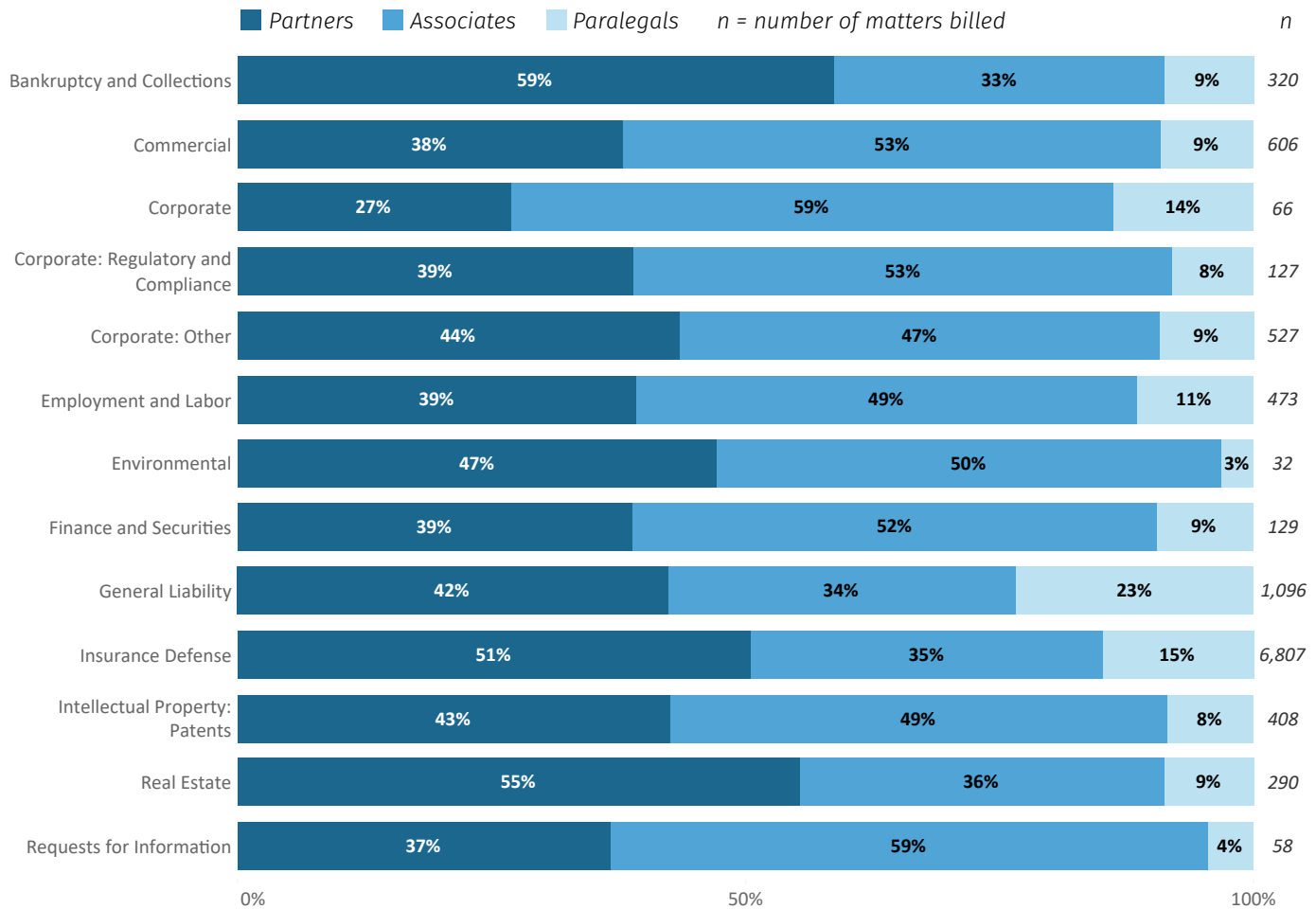
Section VI: Matter Staffing Analysis

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 6

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
Skadden
Sidley Austin
Quinn Emanuel
Cravath Swaine & Moore
Latham & Watkins
Kirkland & Ellis
Boies Schiller Flexner

Topics

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

Companies

Johnson & Johnson
Thomson Reuters Corp