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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

ERIC HERRERA, individually, and on behalf of all others similarly situated, *Plaintiff*, v. CORECIVIC OF TENNESSEE, LLC, a Tennessee limited liability company; and DOES 1 through 50, inclusive *Defendants*.	Case No.: 3:25-cv-2298-GPC-DEB *Assigned to District Judge Hon. Gonzalo P. Curiel* **DECLARATION OF JOHN G. YSLAS IN SUPPORT OF JOINT MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** <u>APPROVAL HEARING</u> Date: July 31, 2026 Time: 1:30 p.m. Room: 12A Complaint Filed: May 30, 2025 Removal Filed: July 11, 2025

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DECLARATION OF JOHN G. YSLAS

I, John G. Yslas, 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 for Plaintiff Eric Herrera ("Plaintiff") in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness.

2. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement.

CASE BACKGROUND

3. Plaintiff seeks preliminary approval of a proposed $624,550.00 non-reversionary, class action settlement of this wage-and-hour case with Defendant CoreCivic of Tennessee, LLC ("CoreCivic" or "Defendant," together with Plaintiff, the "Parties"). The settlement will provide finality to a contested case, and, as set forth more fully below, the proposed settlement satisfies all the criteria for settlement approval under Rule 23. The settlement was reached after extensive investigation, initial disclosures by both Parties, and multiple Early Neutral Evaluation Conferences presided over by United States Magistrate Judge, Hon. Daniel E. Butcher, which ultimately led to the settlement.

4. On May 30, 2025, Plaintiff filed a putative wage-and-hour class action in Santa Clara County on behalf of himself and all hourly-paid, non-exempt employees in California against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment

records; and (9) violation of California's Unfair Competition Law, California Business and Professions Code §§ 17200, *et seq*. On July 11, 2025, Defendant removed this matter to federal court on the basis of diversity jurisdiction.

5. On May 30, 2025, Plaintiff sent notice to Defendant and the California Labor & Workforce Development Agency ("LWDA") alleging similar wage-and-hour violations pursuant to the Private Attorneys General Act ("PAGA") (Cal. Labor Code §§ 2699, *et seq.*). Attached hereto as **Exhibit 1** is a true and correct copy of Plaintiff's Mary 30, 2025 PAGA Notice. On August 29, 2025, Plaintiff separately filed a PAGA-only action in the San Diego County Superior Court ("PAGA Complaint").

6. On January 26, 2026, Plaintiff filed a First Amended Complaint in the instant action which merges the separately filed PAGA Complaint into the pending federal court case, as required by the Parties' Settlement Agreement.

<u>SETTLEMENT NEGOTIATIONS</u>

7. On November 24, 2026, the Parties participated in an Early Neutral Evaluation Conference presided over by United States Magistrate Judge, Hon. Daniel E. Butcher. The settlement negotiations were at arm's length and, although conducted in a professional manner, were adversarial. The Parties went into the Early Neutral Evaluation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate their position through trial and appeal if a settlement had not been reached.

8. After extensive preparation, investigation, negotiations, and discussions regarding the strengths and weaknesses of Plaintiff's claims and Defendant's defenses, including the exchange of initial disclosures by the Parties, the Parties were able to reach a settlement as to the material terms which are encompassed within the Settlement Agreement. To be clear, and to comply with Federal Rules of Civil Procedure rule 23(e)(3), the Settlement agreement states all of the terms of the agreement between the Parties regarding the potential resolution of this matter. Class

Counsel believes that the proposed settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members in light of all known facts and circumstances, the risk of significant delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial risk, and appellate risk.

9. This settlement resolves the risk attendant with continued litigation. Class Counsel believes that the settlement amount is reasonable in light of Defendant's realistic range of exposure. This is a good result for the Class, particularly in light of the difficulty in certifying a class and continuing in litigation. Because of the proposed Settlement, Settlement Class Members will be able to receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

10. Class Counsel believes that the proposed settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members in light of all known facts and circumstances, the risk of significant delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial risk, and appellate risk.

11. This settlement resolves the risk attendant with continued litigation. Class Counsel believes that the settlement amount is reasonable in light of Defendant's realistic range of exposure. This is a good result for the Class, particularly in light of the difficulty in certifying a class and continuing in litigation. Because of the proposed settlement, Settlement Class Members will be able to receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

12. The material terms of which are encompassed within the Class Action and PAGA Settlement Agreement (the "Settlement Agreement"). Attached as **Exhibit 2** is a true and correct copy of the Agreement.

13. Class Counsel submitted the proposed settlement to the LWDA before filing the Motion for Preliminary Approval.

14. My office requested several bids from experienced class action

settlement administrators to handle the responsibilities of the Settlement Administrator under this Settlement. The Parties accepted the bid of Phoenix Class Action Administrators ("Phoenix"). Phoenix has multiple years of experience in the field of Class Action Administration, particularly in the wage-and-hour arena. In its bid, Phoenix agreed to cap its costs at $15,500.00 if there are 1,200 class members.

15. Plaintiff and their counsel do not have any interest, financial or otherwise, in the third-party administrator, Phoenix.

THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

16. The parties engaged in a significant amount of investigation, informal discovery, and analysis in preparation for mediation prior to reaching the proposed settlement. Defendant responded to Plaintiff's informal discovery in preparation for mediation and exchanged Initial Disclosures with Plaintiff, provided extensive information on the company's wage and hour policies and practices, provided a sizable sample of time and payroll records for the Settlement Class Members, and produced hundreds of pages of relevant documents. It was only after the exchange of a substantial amount of data and information that the parties participated in a full-day mediation sessions and ultimately reached this proposed settlement.

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

18. Based on an analysis of the facts and legal contentions in this case, documents and information from Defendant, Wilshire Law Firm, PLC evaluated Defendant's maximum exposure. We took into account the risk of not having the

claims certified and the risk of not prevailing at trial, even if the claims are certified. After using the data Defendant provided in advance of mediation, including class member timekeeping and payroll records, as well as class member demographics (i.e., the number of class members, workweeks, and average total compensation of the class), with the assistance of a statistics expert, we created a damages model to evaluate the realistic range of potential recovery for the class. Prior to the Early Neutral Evaluation Conferences, we retained the services of Berger Consulting Group to perform an in-depth statistical analysis of the records provided by Defendant and act as a consultant. That expert's analysis was on of the key bases for our settlement negotiations and the assumptions stated in the Motion; especially with regard to averages and violation rates. The damages model is based on the following benchmarks:

<u>Total Settlement Class Members</u>: 1,200

<u>Total Workweeks</u>: 51,800

<u>Avg. Hourly Rate</u>: $35.62

<u>Avg. Shifts Per Workweek</u>: 4.5

<u>Avg. Number of Hours per Shift</u>: 9.0

<u>PAGA Pay Periods</u>: 12,853

19. Although Plaintiff steadfastly maintains that his claims are meritorious, Plaintiff acknowledges that Defendant possessed legitimate defenses to liability and certification. Further, even if Plaintiff prevailed at certification, Defendant could have successfully asserted defenses to Plaintiff's wage statement and waiting time penalties claims. For example, Defendant possessed strong defenses to these derivative claims, since it can argue a "good-faith" dispute that any wages were due, thereby precluding the imposition of penalties. Moreover, because Plaintiff's claims for civil penalties under PAGA were wholly derivative of the underlying Labor Code claims, Defendant could have successfully defeated or minimized Plaintiff's PAGA claims if other claims were to fail.

20. Minimum and Overtime Wages: Plaintiff alleges that Defendant failed to pay the putative class for all hours worked, including minimum, straight time, and overtime wages, due to its consistent policy and practice of, for example, requiring employees to work through their meal periods while clocked out. Plaintiff further alleges Defendant required Plaintiff and employees to undergo a security verification process, where they had to verify their identity. Plaintiff also alleges Defendant failed to compensate the putative class for all hours spent undergoing verification screenings. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the Class, Class Counsel estimates that Defendant's maximum potential exposure by assuming that all unpaid work time should have been paid at the overtime rate, and Class Counsel assumed that Defendant is liable for one (1) hour of unpaid worktime per workweek. This results in an estimate of approximately $2,767,674.00 (51,800 workweeks x $35.62 hourly rate x 1.5 overtime rate x 1 hour of unpaid work per workweek), but Class Counsel applied a risk discount based on a 20% chance of succeeding at class certification and a 20% chance of succeeding at trial on the merits because liability depends on whether Defendant knew or should have known that class members were working off-the-clock, yielding a realistic damage estimate of approximately $110,706.96 ($2,767,674.00 x 20% x 20%).

21. Meal Periods: With respect to the meal period claim, Plaintiff alleges that Defendant required Plaintiff and similarly situated class members to either work in lieu of taking meal periods, or their meal periods were untimely or interrupted. Specifically, Plaintiff alleges that he was regularly required to carry a radio with him at all times during his shift to communicate with his supervisors in lieu of taking a meal and/or rest period. Plaintiff's meal breaks were also often interrupted by supervisors due to understaffing. Class Counsel's expert analyzed Defendant's timekeeping records and found that approximately 29.30% of all meal break violations consisting of short, late, or missed meal periods. Therefore, potential liability for the

meal period claim is approximately $2,230,763.02 (213,743 shifts x $35.62 hourly rate x 29.30% violation rate). Here, Defendant provided meal break waiver forms to all employees upon onboarding and expected employees to sign the meal break waiver forms. After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit, the clear written policy that radios do not need to be carried, turned on, or responded to during breaks, and a 29.30% violation rate is unrealistic based on attestations that employees allegedly completed in Defendant's timekeeping system at the end of each shift, as well as Defendant's second period meal waiver and on-duty meal period agreement for employees who had transport duties, Class Counsel discounted this figure based on a 25% chance of succeeding at class certification and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately $111,538.15 ($2,230,763.02 x 25% x 20%).

22. Rest Breaks: With respect to the rest period claim, Plaintiff alleges that Defendant required him and similarly situated class members to work in lieu of taking rest periods, remain on-call during their rest periods or their rest periods were interrupted. Similar to its meal period policy and practice, Plaintiff and other employees, or some of them, allege that they routinely and consistently were not afforded compliant first or second rest break due to understaffing and the busy nature of the work environment. Specifically, Plaintiff and other employees allege that they were required to be relieved by another employee before they could take their break. Assuming a 29.30% violation rate for the class period based on Plaintiff's and other class members' experience working for Defendant, Defendant's potential liability for the rest period claim is approximately $2,257,439.12 (216,299 shifts x $35.62 hourly rate x 29.30% violation rate); however, Class Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim would have relied

exclusively on Class Member testimony, Class Counsel discounted this claim based on a 15% chance of succeeding at class certification and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately $ $67,723.17 ($2,257,439.12 x 15% x 20%).

23. Reimbursements: Plaintiff's reimbursement claim was based on the allegation that Defendant expected employees to pay out-of-pocket for necessary employment-related expenses, including, but not limited to, the cost of using their personal cell phones for business related purposes. But, Plaintiff alleges Defendant did not reimburse employees for these expenses. Based on Plaintiff's estimate that he incurred $30.00 in unreimbursed expenses per month, Class Counsel assumed each Class Member incurred $30.00 in unreimbursed expenses per month in calculating potential exposure to be approximately $388,500.00 for this claim. However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred, especially as employees are not permitted to take their cell phones into its secure detention facilities. Accordingly, Class Counsel discounted this claim based on a 20% chance of succeeding at class certification and a 25% chance of succeeding at trial, yielding a realistic damage estimate of approximately $19,425.00 ($388,500.00 x 20% x 25%).

24. In sum, Class Counsel estimated that Plaintiff's maximum recovery for the off-the-clock claim, meal period violations, rest period violations, and expense reimbursement violations is approximately $7,644,376.14. However, after factoring in the risk and uncertainty of prevailing at certification and trial, Class Counsel estimates that Plaintiff's realistic estimated recovery for the non-penalty claims is approximately $309,393.28.

25. Derivative Penalties and PAGA Penalties: With respect to Plaintiff's derivative claims for statutory and civil penalties, Plaintiff estimated that Defendant's realistic potential liability is approximately $7,613,282.28. If Plaintiff prevails on any one of his underlying claims, Defendant will incur significant derivative liability.

Finally, determining whether Defendant violated the California Labor Code will determine whether they violated the Unfair Competition Law, which defines unfair competition to include any "unlawful" business practice. (*Cortez v. Purolator Air Filtration Products Co.* (2000) 23 Cal.4th 163, 177-78 [Labor Code violation deemed unlawful business practice under the UCL].) Defendant's maximum potential liability for waiting time penalties is approximately $3,207,937.20 ([316 employees x $35.62 hourly rate x 8.00 hours/day x 30 days] + [316 employees x $35.62 hourly rate x 1 hour/day x 1.5 overtime rate x 30 days]) based on approximately 316 terminated class members during the 3-year statute of limitations period, approximately $3,272,000.00 (818 employees x $4,000 statutory maximum) for inaccurate wage statements based on approximately 818 class members who worked during the 1-year statute of limitations period, and approximately $1,285,300.00 for PAGA violations based on the Court assessing a $100 penalty for initial violations for all 12,853 pay periods within the PAGA period. In light of the foregoing, Class Counsel believes that it would be unrealistic to expect the Court to award the full $7,765,237.20 in penalties given Defendant's defenses, the contested nature of Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Defendant could successfully assert defenses to Plaintiff's wage statement and waiting time penalties claims. For example, Defendant possessed strong defenses to these derivative claims, since it can argue a "good faith" dispute that any wages were due, thereby precluding the imposition of penalties. *See* 8 Cal. Code Regs. § 13520 (a "good-faith" dispute exists to waiting time penalties "when an employer presents a defense, based in law or fact which, if successful, would preclude any recovery on the part of the employee. The fact that a defense is ultimately unsuccessful will not preclude a finding that a good faith dispute did exist."); *see also Naranjo v. Spectrum Sec. Servs., Inc., 88* Cal.App.5th 937, 951 (2023) (applying a "willfulness" standard to the imposition of wage statement penalties under Labor Code § 226). Moreover, because Plaintiff's claims for civil penalties under PAGA were wholly derivative of the underlying Labor Code claims, Defendant asserted that the PAGA claims would rise or fall with such claims. *See, e.g., Elliot v. Spherion Pacific Work, LLC*, 572 F.Supp.2d 1169, 1181-82 (C.D. Cal. 2008) ("Plaintiff's claim under the Private Attorneys General Act is wholly dependent upon her other claims. Because all of Plaintiff's other claims fail as a matter of law, so does her PAGA claim."). Considering that the underlying claims are realistically estimated to be approximately $309,393.28, such a disproportionate award would also raise due process concerns. As such, Class Counsel discounted these figures to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $96,238.12 ($3,207,937.20 x 15% x 20%) for waiting time penalty claims, approximately $98,160.00 ($3,272,000.00 x 15% x 20%) for wage statement penalty claims, and $128,530.00 for PAGA penalties, or approximately $322,928.12 total for statutory and civil penalties.

26. Using these estimated figures, Plaintiff predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $632,321.40. This means that the $624,550.00 settlement figure represents approximately 98.77 % of the realistic maximum recovery ($624,550.00 / $632,321.40 = 98.77 %). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class.[1] Indeed, because of the proposed Settlement, class members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

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[1] See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019) 2019 WL 3943859 at *8 (granting preliminary approval where the proposed allocation to settle class claims was between 9.53 percent of Plaintiffs' maximum recovery); *Bravo v. Gale Triangle, Inc.* (C.D. Cal. Feb 16, 2017) 2017 WL 708766 at * 10 (finding that "a settlement for fourteen percent recovery of Plaintiffs' maximum recovery is reasonable"); *In re Omnivision Techs., Inc.* (N.D. Cal. 2008) 559 F.Supp.2d 1036, 1042 (approving settlement amount that "is just over 9% of the maximum potential recovery asserted by either party.").

27. The Net Settlement Amount available for Class Member settlement payments is estimated to be $319,685.00, for a class of 1,200 persons, all of whom are identifiable from Defendant's records.[2] As a result, each Settlement Class Member is eligible to receive an average net benefit of approximately $266.40.

28. Weighing these factors, Class Counsel believes that the $624,550.00 settlement amount is fair, reasonable, and adequate. The amount compensates Settlement Class Members for Plaintiff's claims while avoiding the risk of continued litigation.

ENHANCEMENT AWARD FOR PLAINTIFFS IS REASONABLE

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

30. Throughout this Litigation, Plaintiff, who is a former employee of Defendant, has cooperated immensely with my office and have taken many actions to protect the interests of the class. Plaintiff provided valuable information regarding the claims. Plaintiff also informed my office of developments and information relevant to this action, participated in decisions concerning this action, made himself available to answer questions during the mediation, and provided my office with the names and contact information of potential witnesses in this action. Before we filed this case, Plaintiff provided Class Counsel with documents regarding the claims alleged in this action. The information and documentation provided by Plaintiff was

[2] The Net Settlement Amount is: $624,550.00 minus $187,365.00 for Class Counsel's attorneys' fees, minus $12,000.00 for Class Counsel's litigation expenses, minus $15,500.00 in administration costs, minus $80,000.00 for the PAGA payment, and minus $10,000.00 for the class representative service award to Plaintiff.

instrumental in establishing the alleged wage and hour violations alleged in this action, and the recovery provided for in the Settlement Agreement would have been impossible to obtain without Plaintiff's participation. Plaintiff has expended significant time and effort into this litigation. Therefore, the requested Enhancement Award of $10,000.00 is appropriate.

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

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

33. In the final analysis, this class action would not have been possible without the aid of Plaintiff, who put his own time and effort into this Litigation, sacrificed the value of his own individual wage and hour claims, and placed himself at risk for the sake of the Settlement Class Members. The requested enhancement award for Plaintiff for their service as the class representative and for their general release of all individual claims is a relatively small amount of money when the time and effort put into the Litigation are considered and in comparison to enhancements granted in other class actions. The requested incentive award is therefore reasonable to compensate Plaintiff for their active participation in this lawsuit.

<u>THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE</u>

34. The Settlement provides for attorney's fees payable to Class Counsel in an amount up to 30% of the Settlement Amount, for a maximum fees award of $187,365.00, plus actual costs and expenses not to exceed $12,000.00. The proposed award of attorneys' fees to Class Counsel in this case can be justified under either method – lodestar or percentage recovery. Class Counsel, however, intend to base the proposed award of fees, costs and expenses on the percentage method as many of the entries in the time records will have to be redacted to preserve attorney-client and attorney work product privileges.

35. 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. Indeed, Wilshire Law Firm, PLC has had fee awards of up to 33 and 1/3% approved in Federal Court. In *Frausto v. Bank of America, N.A.* (N.D. Cal. 2019) 334 F.R.D. 192, 2020 WL 1290302 (9th Cir. Feb. 27, 2020), 2019 WL 5626640 (N.D. Cal. Oct. 31, 2019), 2018 W.L. 3659251 (N.D. Cal. Aug. 2, 2018), the Court approved Wilshire Law Firm, PLC's application for 33 and 1/3% of a $1,890,000.00 based on the percentage of recovery method and further supported by a negative lodestar multiplier. In *Frausto,* the Northern District of California found that Class Counsel's requested fee award was appropriate based on the significant total benefits made available to the class members and the subsequent lodestar cross-check, where Class Counsel had a negative multiplier. Here, Class Counsel has also created substantial benefits for the class members, and, as will be further demonstrated in their Motion for Attorney's Fees and Costs, has also expended significant attorney hours in the litigation of this case.

36. 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. It is further estimated that my office will need to expend at least another 20 hours to monitor the process leading up to the final approval and payments made to the class, as well as to prepare the Motion for Attorney's Fees and Costs, and the

Final Approval Motion and supporting papers. My office also bears the risk of taking whatever actions are necessary if Defendant fails to pay

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

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

CLASS COUNSEL'S EXPERIENCE AND QUALIFICATIONS

39. Here, Plaintiff is represented by experienced wage and hour class action counsel who pressed Plaintiff's claims forward against a large employer who retained the well-regarded firm Gleason & Favarote, LLP, which regularly litigates large, high-stakes cases throughout the country.

40. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms for every year since 2020 and

is comprised of over 120 attorneys and over 600 employees. Wilshire Law Firm, PLC is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

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

42. I graduated from the University of California, Santa Barbara with High Honors in 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law School in 1996.

43. Upon graduating from law school in 1996, I worked for a boutique law firm practicing general litigation which included employment law matters. Since 2000 (that is, the last 25 years) my practice has been exclusively focused on labor and employment matters including handling wage and hour class, collective and representative actions (including the California Private Attorneys General Act, or "PAGA"), including in the international law firms of Morgan, Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright LLP (where I was a partner) and Seyfarth Shaw LLP (where I was a partner and member of the Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or took a major leading role in defending employers on numerous wage and hour class, collective and representative actions.

44. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire Law Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and hour class and representative actions litigating such matters on behalf of plaintiff employees in numerous Superior Courts and District Courts.

From matters representing both plaintiffs and defendants, I have successfully mediated the resolution of many wage and hour class, collective, and representative actions. Just since starting to settle cases in late April 2023 I have already successfully mediated matters in which I have been counsel or co-counsel resulting in **well over $240 million** in settlements and verdicts which are in the process of being finalized, and with numerous upcoming mediations scheduled. In those and numerous other matters, I have managed and assisted with the litigation and settlement of many wage and hour PAGA and class actions. In those actions, I performed similar tasks as those performed in the course of prosecuting this action. Indeed, I recently tried and prevailed in achieving a jury verdict in a certified wage and hour class action in the matter of Aguilar-Flores v. Javier's – CC LLC, Los Angeles County Superior Court, Case No. 19STCV36438 (settled after verdict).

45. I have received numerous awards for my legal work. For example, from 2015 to 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters). I have also served on numerous prominent boards and in other leadership positions, including serving as Southern California Regional President for the Hispanic National Bar Association and on the board of directors of the Mexican American Bar Foundation. I also previously served on the 5-member Los Angeles Civil Service Commission, which generally oversees the personnel decisions for the City of Los Angeles.

46. I have also published numerous blogs on labor and employment issues including on wage and hour issues. For example, I published "Headline News: Wal-Mart v. Dukes-Impact on Class Action Litigation" (while a partner with Foley & Lardner LLP) and "Are You Really Protected From Wage-and-Hour Successor Liability in an Asset Purchase" (while a partner with Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a presenter involving the "Employment Law Update" at a National Employment Law Council conference.

47. Diego Aviles is a Junior Partner at WLF. Mr. Aviles graduated from the

University of California, Irvine, with a Bachelor of Arts in Political Science as well as a Bachelor of Arts in Criminology, Law, and Society, and received his Juris Doctor from the Santa Clara University School of Law in 2015. During law school, Mr. Aviles was President for the Santa Clara Employment Law Society, Board Member of the Honors Moot Court, and President of the Santa Clara University La Raza Chapter. He clerked for the Equal Employment Opportunity Commission in San Francisco, California, and also worked with the Workers' Rights Clinic in San Jose, California, among other employment law firms. He was admitted to practice law in the State of California in 2017. Since graduating from law school, he has focused his legal work exclusively on employment matters, including wage-and-hour class action and PAGA representative action litigation, and he has helped obtain dozens of settlements on behalf California workers. He has been appointed Class Counsel numerous times in California and most recently achieved a published California Appellate opinion in the matter of *Alberto v. Cambrian Homecare, et al*., 91 Cal.App.5th 482 regarding employment arbitration agreements. He has also been a member of the California Employment Lawyers Association (CELA) since at least 2019.

48. Harry Erganyan is an Associate Attorney at WLF. He was admitted to practice law in the State of California in 2021. Mr. Erganyan graduated from Loyola Marymount University, with a Bachelor of Arts in Political Science. He received his Juris Doctor from Southwestern Law School. During law school, he externed for the Los Angeles City Attorney. Since January 2021, Mr. Erganyan's practice has been focused on wage and hour class action litigation.

49. Mariam Nazaretyan is an Associate Attorney at WLF. She was admitted to practice law in the State of California in 2021. Ms. Nazaretyan graduated from Loyola Marymount University with a Bachelor of Arts in Political Science. She received her Juris Doctor from Southwestern Law School. During law school, she was a student editor for the Journal of International Media and Entertainment Law

and secretary of the Student Bar Association. Since graduating, Ms. Nazaretyan's practice has been focused on international humanitarian law and employment law.

50. Emily Borman is a Junior Partner at Wilshire Law Firm, PLC. She was admitted to practice law in the State of California in May 2015. Ms. Borman graduated from Cornell University with a Bachelor of Science in Development Sociology and a Minor in Applied Economics and Management. While at Cornell she was inducted into the Alpha Kappa Delta International Honor Society. Ms. Borman received her Juris Doctor from University of California Law San Francisco (formerly UC Hastings). Since graduating, her practice has been in employment law, including Plaintiff-side wage and hour cases. Ms. Borman has received numerous awards for her legal work. In 2021 and from 2023 to 2025, Super Lawyers selected her as a "Southern California Rising Star." Ms. Borman was selected as one of the "Best Lawyers in America" from 2021 to 2026.

51. WLF's rates are well within the range of hourly rates that the Los Angeles legal marketplace would compensate counsel for similar services accomplishing similar results. In support of the reasonableness of WLF's hourly rates, attached as **Exhibit 3** is a true and correct excerpt from the *2025 Real Rate Report* published by Wolters Kluwer. The Real Rate Report is widely relied upon in the legal industry because it is derived from anonymized billing data taken from actual law firm invoices that were submitted to clients and approved for payment, rather than from voluntary surveys or self-reported rates. Although the report refers to "2025" rates, the data reflects rates charged by law firms during the first half of 2024 and therefore represents the most recent available objective evidence of prevailing market rates.

a. The report provides rate information filtered by geographic market, practice type, and timekeeper role. Page 33 of the report reflects rates drawn from 565 partners and 518 associates practicing in Los Angeles. In that dataset, the third-quartile hourly rate is $1,365 for partners and $982 for associates. These figures confirm that Los Angeles is a high-rate legal market and that experienced litigation partners routinely bill in excess of $1,300 per hour based on rates actually paid by clients in 2024. The Real Rate Report further shows that in the San Diego market, partners with 21 or more years of experience command third-quartile billing rates of approximately $1,334 per hour, confirming that highly experienced litigators in major California markets routinely bill at the upper end of the rate spectrum.

b. The 2025 Real Rate Report's practice-area-specific data further supports this conclusion. Page 81 provides third-quartile rates for the detailed practice category "Employment and Labor: Other Litigation," which is directly analogous to the type of work performed in this case. That dataset includes 24 partners and 14 associates and shows a third-quartile rate of $1,252 per hour for partners and $564 per hour for associates. These figures demonstrate that even within the specialized employment litigation market, partners regularly bill well above $1,200 per hour based on rates actually charged to clients. When this practice-specific benchmark is considered together with the broader regional market data, it confirms that WLF's hourly rate for highly experienced counsel in a representative employment action falls within the upper range of prevailing market rates rather than outside it.

c. The Real Rate Report does not provide 1st quartile or 4th quartile rates, presumably to provide a sense of the average attorney billing rates. Importantly, the third quartile represents the point below which 75% of rates fall; it is not a cap on reasonable rates. By definition, a substantial portion of partners in the relevant benchmark market routinely bill above that level, particularly those with extensive experience, specialized expertise, or leadership roles in complex litigation. Courts evaluating fee requests recognize that leading counsel in complex or representative actions may reasonably bill above median or third-quartile benchmarks where their experience, results obtained, and responsibilities justify higher rates. We firmly believe WLF belongs in the 4th quartile of attorney billing rates in Los Angeles. As previously discussed, WLF is a nationally recognized employment litigation firm that has been named one of the nation's *Best Law Firms* by U.S. News & World Report and Best Lawyers since 2020, and its attorneys regularly litigate complex wage-and-hour class and representative actions throughout California. I am a UCLA School of Law graduate with nearly three decades of experience litigating labor and employment matters—including as a partner and holding leadership roles at major international law firms when I was on the defense side for 26 years, as well as substantial recent class and representative action results including being one of the few attorneys in the state of California to try a wage and hour class action to verdict (and prevail), and achieving results exceeding $240 million in just the last three years since starting to settle matters as a plaintiffs' attorney. My credentials and experience place my $1,500 hourly rate within the highest tier of Los Angeles employment litigators, consistent with rates that would fall within the fourth quartile beyond those reported in the Real Rate Report.

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.

DATED: April 30, 2026

John G. Yslas

TABLE OF CONTENTS OF EXHIBITS

EXHIBIT 1

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Los Angeles, CA 90010
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May 30, 2025

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(***Via Online Submission***)

CoreCivic of Tennessee, LLC
5501 Virginia Way, Ste. 110
Brentwood, TN 37027
(***Via Certified Mail, Return Receipt Requested***)
#9489 0090 0027 6620 2463 29

C T Corporation System
Agent for Service of Process
CoreCivic of Tennessee, LLC
330 N. Brand Blvd., Ste. 700
Glendale, CA 91203
(***Via Certified Mail, Return Receipt Requested***)
#9489 0090 0027 6620 2463 36

Re: ***Eric Herrera v. CoreCivic of Tennessee, LLC***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Eric Herrera ("Mr. Herrera" or "Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Employee's former employer, CoreCivic of Tennessee, LLC ("CoreCivic" or "Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and potentially all of Employers' Aggrieved Employees.

Mr. Herrera wishes to pursue this action on behalf of Employees as Aggrieved Employees, on behalf of the State of California, as well as on behalf of potentially all other persons who worked for CoreCivic in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employee").

Employee and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Mr. Herrera's Employment with CoreCivic

CoreCivic provides detention centers where migrant detainees can reside temporarily as they go through their legal due process, such as Otay Mesa Detention Center where Employee worked. Employee worked as a Detention Officer. Employee's primary job function was to ensure the safety and security of a detention facility, its staff, and inmates . In performing Employee's duties, Employee was regularly required to perform work (off-the-clock), without compensation, including, but not limited to, responding to any radio alerts or calls from supervisors, in lieu of taking a meal and/or rest period. Employee was also frequently deprived of an opportunity to take legally compliant meal and rest breaks. Specifically, Employee regularly and consistently had late, short, and interrupted meal and rest breaks, because Employers were understaffed, and there was no one to relieve Employee. Employee has no recollection of ever receiving meal and rest break premiums as required by the Labor Code. Additionally, Employee necessarily incurred business-related expenses, including, but not limited to, the use of Employee's personal cell phone for work related purposes, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Eric Herrera is a resident of Chula Vista, California who worked for Employers in San Diego County, California as an hourly-paid, non-exempt employee from approximately August 2019 to approximately April 2025.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work, on average, at least six days in a workweek and, on average, at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee's employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee's employment, failed to furnish accurate wage statements to Employee, failed to indemnify Employee for business expenditures, and failed to timely produce Employee's requested employment records. As discussed below, Employee's experience working for Employers was typical and illustrative.

<u>Failure to Pay for All Hours Worked, Including Minimum, Straight, and Overtime Wages</u>

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Employers failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at time required Employee and the Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated, by, for example, requiring Employee and the Aggrieved

Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking out. For example, Employee was required to respond to all calls and text messages from supervisor after having clocked out. Employee's meal breaks were also often interrupted by supervisors, namely, Jared Bain, Raymond Blossom, and Andrea Lopez, who needed Employee to assist with detainees. As another example, Employee was required to carry a radio with him at all times during his shift to communicate with supervisors, even while on a rest or meal break.

Additionally, Employee is informed and believes that his and other Aggrieved Employees' time entries were edited to either show that he had taken a compliant meal period or to shave minutes of time to either avoid overtime or provision of a rest and/or meal period, resulting in a failure to pay wages for all hours worked. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers failed to properly calculate Employee's regular rate of pay when paying overtime, by failing to include all compensation in Employee's overtime calculations, including hours worked off-the-clock. Specifically, employees received attendance and duration bonuses of $500 and $1,000 depending on how long they had been working for Employers. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Despite these legal requirements, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). For example, Employee routinely experienced missed, late, and interrupted meal periods due to the busy nature and understanding of the work environment. Indeed, Employers expected and required its employees to remain with the detainees and/or to address any management inquiries, in lieu of taking a compliant meal period, including by at times detrimentally editing time entries to show that a compliant meal period was taken when such a meal period was either not provided or was late. Specifically, Employee's supervisors Jared Bain, Raymond Blossom, and Andrea Lopez would not provide an opportunity for a meal break and instead would attempt to alter his time sheets to reflect an artificial meal break when in fact none was taken or was short or was interrupted.

Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided. Employee does not recall ever receiving any meal and rest break premiums.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e., more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Plaintiff and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employee and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted. Specifically, Employer intentionally maintained an understaffed workforce which necessitated in Aggrieved Employees to work through any purported rest breaks. Rest breaks were intentionally,

Instead, Employers at times continued to assert control over Employee and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or at times by denying Employee and the Aggrieved Employees, or some of them, permission to take a rest period. Specifically, Employee's supervisors Jared Bain, Raymond Blossom, and Andrea Lopez did not provide Employee with an opportunity to take a duty free rest break because Employee was still on the clock.

Accordingly, Employers at times failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure at times to pay Employee and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked. As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Employee seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded. Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees, or some of them.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employee and the Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employers' records. Therefore, Employee and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employers. As a direct result, Employee and the Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Employers to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Orders, Employee and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment in the manner described above shall apply unless the employee has voluntarily authorized that deposit and provided that the employer complies with the provisions of Labor Code § 213(d) relating to the payment of wages upon termination or quitting of employment.

Within the applicable statute of limitations, the employment of Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail, to pay Employee and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages. Employers also violated, and continue to violate, Labor Code section 213(d) by paying final wages (if any are paid at all) via direct deposit without the employee's voluntary authorization. Employee recalls that he did not receive his owed final wages at the time of his termination. Employee is owed meal and rest break premiums, wages for the off-the-clock work, and corresponding overtime wages that Employee was not paid or at termination.

Employers' conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Employee and the Aggrieved Employees, or some of them, are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination, and for unlawfully making any such payment (if any) via direct deposit without the employee's voluntary authorization.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employee and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars ($4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

<u>Failure to Indemnify for Necessary Expenditures</u>

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers at times wrongfully required Employee and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers, including, but not limited to, the use of Employee's personal cell phone for work related purposes. Employee and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses, including use of a personal cell phone and maintenance and laundering of work uniforms. Employee and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees, or some of them, for these employment-related expenses. Specifically, Employee had to purchase his own duty belt, work boots, lanyards, required work jackets, and mileage for driving to training ranges. Employee was not reimbursed for any of those expenses.

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As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees, or some of them, for necessary business expenditures.

Failure to Produce Requested Employment Records

Employee requested a copy of his personnel file, but Employer did not provide it. Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee. Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions.

Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, not just Employee, but also Aggrieved Employees, or some of them, have submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees, or some of them, by virtue of Employers' time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. Employers failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers' failure to relieve Employee and Aggrieved Employees, or some of them, of all duties and Employers' control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employee's and Aggrieved Employees' meal periods, or some of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employee's and Aggrieved Employees' work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees, or some of them. Employers' failure to keep "accurate and complete" payroll records for Employee and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558, 210, 226.7, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.[1]

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing at times to authorize and permit rest periods;
4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records; and
10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records.

Therefore, on behalf of potentially Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited

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[1] See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employee has placed Employers on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

Harry Erganyan, Esq.

EXHIBIT 2

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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

ERIC HERRERA, individually, and on behalf of all others similarly situated, Plaintiff, v. CORECIVIC OF TENNESSEE, LLC, a Tennessee limited liability company; and DOES 1 through 50, inclusive, Defendants.	Case No. 3:25-cv-02298-GPC-DEB **STIPULATION OF CLASS AND PAGA SETTLEMENT AND RELEASE**

This Stipulation of Class Action and PAGA Settlement and Release ("Settlement" or "Settlement Agreement") is entered into by plaintiff Eric Herrera, individually and on behalf of all other similarly situated and/or aggrieved individuals (hereinafter referred to as "Plaintiff"), and defendant CoreCivic of Tennessee, LLC ("Defendant") (collectively with Plaintiff, the "Parties").

1. DEFINITIONS

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

1.1 "Action"

The case entitled *Eric Herrera v. CoreCivic of Tennessee, LLC*, United States District Court for the Southern District of California Case No. 3:25-cv-02298-GPC-DEB and Plaintiff's representative lawsuit seeking penalties under PAGA, Santa Clara County Superior Court Case No. 25CV467123.

1.2 "Court"

The United States District Court for the Southern District of California or any other court taking jurisdiction of the Action.

1.3 "Defendant's Counsel"

Gleason & Favarote, LLP.

1.4 "Effective Date"

The Effective Date means 61 calendar days after all of the following events have occurred: (1) the Stipulation has been executed by all Parties, Settlement Class Counsel, and Defendant's Counsel; (2) the Court has given Final Approval to the Settlement; and (3) the Court has held a Final Settlement Approval Hearing and has entered a Final Order and Judgment, approving the Settlement without substantial modification. It is the parties' intention that the Settlement shall be final for purposes of the Effective Date, if no objections to the Settlement are filed and no one intervenes in the case. In the event that objections are filed or intervention, the Effective Date shall be the later of: (a) the date of final affirmance on an appeal of the Judgment; and the expiration of the time for a petition to review the Judgment or file any other appeal; and, if review is granted, the date of final affirmance of the Judgment following review and the expiration of an appeals period; or (b) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding to review the Judgment; or (c) if no appeal is filed, the expiration date for filing any appeal from the Judgment.

1.5 "Final Approval" or "Final Approval Order"

The Court order granting final approval of the Settlement Agreement.

1.6 "Incentive Award"

An amount not to exceed $10,000 to be paid to Plaintiff in recognition of his efforts and work in prosecuting the Action on behalf of Settlement Class and PAGA Members, subject to Court approval.

1.7 "Individual Settlement Payment"

Each Participating Settlement Class Member's pro rata share of the Net Settlement Fund, calculated according to the number of Class Period Workweeks worked during the Class Period.

1.8 "LWDA Payment"

The amount that the Parties have agreed Defendant will pay to the California Labor and Workforce Development Agency ("LWDA") in the settlement and release of claims brought pursuant to the California Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698, et seq., ("PAGA"). The Parties have agreed that $80,000 of the Settlement Amount will be allocated to the resolution of claims arising under the PAGA. Pursuant to the PAGA, 65%, or $52,000, of the LWDA Payment will be paid to the LWDA, and 35%, or $28,000, of the LWDA Payment will be included in the Net Settlement Fund. The PAGA Settlement Amount will be distributed to PAGA Members regardless of whether they request to be excluded from the Settlement as a Class Member.

1.9 "Net Settlement Fund"

The portion of the Settlement Amount remaining after deducting the Court approved: (i) Settlement Class Counsel Costs, (ii) Settlement Class Counsel Fees, (iii) Settlement Administration Costs, (iv) Incentive Award, and (v) LWDA Payment. There will be no reversion of the Net Settlement Fund to Defendant.

1.10 "Notice of Objection"

A Settlement Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, and telephone number, and (b) be faxed, emailed, or postmarked before the Response Deadline. The objection may, but is not required to, include a written statement of all grounds for the objection, copies of any papers, briefs, or other documents upon which the objection is based. The date of the fax, email or postmark on the return mailing envelope will be the exclusive means to determine whether an objection has been timely submitted.

1.11 "Notice Packet"

The Notice of Class and PAGA Action Settlement, substantially in the form of Exhibit B to this Agreement.

1.12 "PAGA Members"

All current and former nonexempt employees of Defendant who were employed between May 30, 2024 through December 12, 2025.

1.13 "PAGA Period"

The period from May 30, 2024 through December 12, 2025.

1.14 "PAGA Settlement Amount"

The thirty-five percent (35%), or Twenty-eight Thousand ($28,000) of the PAGA allocation that will be distributed to PAGA Members.

1.15 "Participating Settlement Class Members"

All Settlement Class Members who do not submit a valid and timely Requests for Exclusion. "Participating Settlement Class Members" also includes all Settlement Class Members who submit valid and timely objections.

1.16 "Preliminary Approval" or "Preliminary Approval Order"

The Court order granting preliminary approval of this Settlement Agreement.

1.17 "Released Claims"

All wage and hour claims, rights, demands, liabilities and causes of action of any nature or description arising from the facts, theories of liability and claims asserted in or contemplated by the Action and/or the claims that could have been asserted in the Action based on the facts ascertained or alleged in the Action, including without limitation, any and all statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, and equitable or other relief based on the following categories: (a) any and all claims involving any alleged failure to pay the wages required by state or federal law; (b) any and all claims arising under state or federal law involving any alleged failure to pay employees for all hours worked, including but not limited to any claim for minimum, straight time, or overtime wages; (c) any and all claims arising under state or federal law involving any alleged failure to pay wages, including but not limited to any claim involving "off the clock" work or the failure to pay for all time under the employer's control; (d) any and all claims involving payment of wages; (e) any and all claims involving the failure to correctly calculate or include bonuses, other incentive pay, or compensation of any kind in the "regular rate" of pay or compensation; (f) any and all claims arising under state law involving any alleged failure to properly provide meal periods and/or authorize and permit rest periods, to pay premiums for missed, late, short, unprovided, on-duty, or interrupted meal and/or rest periods, or to pay such premiums at the regular rate of compensation; (g) any and all claims involving any alleged failure to keep accurate records or to issue proper wage statements to employees; (h) any and all claims involving any alleged failure to timely pay wages, including but not limited to any claim of violation of Labor Code §§ 201 or 202, and any claim for waiting time penalties under Labor Code § 203; (i) any and all claims involving any alleged failure to reimburse for necessary business expenses under Labor Code §§ 2800 or 2802, including but not limited to any claim for the failure to provide and/or reimburse milage, work equipment, personal cellular telephone usage, or for reimbursement of any other necessary business expenses; (j) and any and all claims for unfair business practices in violation of Business and Professions Code sections 17200, et seq. (collectively, the "Released Claims"). The Released Claims include, but are not limited to, all claims arising under the California Labor Code sections 201, 202, 203, 204, 210, 213, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802; the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200 et seq.; the California common law of contract; and federal common law. The release excludes the release of claims not permitted by law. The Released Claims cover the time period of July 11, 2023 through April 15, 2026 or the date of preliminary approval of the Settlement, whichever comes first. For the avoidance of doubt, only Class Members (i.e. those who worked from July 11, 2023 to December 12, 2025) are included in this release.

1.18 "Released PAGA Claims"

All claims asserted through California Labor Code §§ 2698, et seq. in the operative Complaint and in Plaintiff's PAGA Notice Letter, that arise out of or are related to the Released Claims during the PAGA Period, including California Labor Code sections 201, 202, 203, 204, 210, 213, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2698, 2699, 2699.3. A Class Member who is also a PAGA

Member will receive his or her share of the PAGA Settlement Payment regardless of whether the Class Member opts out of the Settlement.

1.19 "Released Parties"

CoreCivic of Tennessee, LLC and as applicable, each of its respective past, present and future agents, employees, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related corporations and/or partnerships (defined as a corporation and/or partnership that is, directly or indirectly, under common control with CoreCivic of Tennessee, LLC), divisions, predecessors, successors, insurers, consultants, employee benefit plans and fiduciaries thereof, and affiliated organizations, and the respective successors and assigns of any of the foregoing persons/entities.

1.20 "Request for Exclusion"

A timely letter submitted by a Settlement Class Member requesting to be excluded from the Settlement Agreement. The Request for Exclusion must be signed by the Settlement Class Member, be returned by fax, email or mail to the Settlement Administrator, and be faxed, emailed or postmarked on or before the Response Deadline. The date of the fax, email or postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Settlement Class Member who does not request exclusion from the Settlement will be deemed to be a Participating Settlement Class Member and will be bound by all terms of the Settlement Agreement if the Court grants Final Approval of the Settlement, meaning that the Participating Settlement Class Member's Released Claims will be deemed released, barred, and extinguished by the Court's Final Approval Order and by the operation of law.

1.21 "Response Deadline"

The deadline by which Settlement Class Members must postmark, email or fax to the Settlement Administrator valid Requests for Exclusion or postmark Notices of Objection to the Settlement. The Response Deadline will be 45 calendar days from the Settlement Administrator's initial mailing of the Notice Packet, unless the 45th day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion will be extended 15 calendar days for any Class Member who is re-mailed a Notice Packet by the Settlement Administrator due to an incorrect mailing address, unless the 15th day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. Under no circumstances will the Settlement Administrator have the authority to unilaterally extend the deadline for Settlement Class Members to submit a Request for Exclusion or Notice of Objection to the Settlement.

1.22 "Settlement Administration Costs"

The costs payable from the Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement; calculating estimated Individual Settlement Payments; tax reporting and payments; distributing the Individual Settlement Payments, the LWDA Payment, any Incentive Award and Attorneys' Fees and Costs; and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be paid from the Class Settlement Amount, including, if necessary, any such costs over the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement.

1.23 "Settlement Administrator"

The Parties have agreed on Phoenix Class Action Administrators to administer the Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

1.24 "Settlement Amount."

The maximum settlement amount of $624,550.00 to be paid by Defendant in full satisfaction of all Released Claims, which includes all Individual Settlement Payments to Participating Settlement Class Members, any Incentive Award, the Cost of Administration, the LWDA Payment, the PAGA Settlement Amount, and Attorneys' Fees and Costs. As to that portion of the Net Settlement Fund (defined below) paid to Participating Settlement Class Members that constitutes wages (20%), the employer portion of applicable employment taxes, shall not be paid from the Settlement Fund.

1.25 "Settlement Class," "Class," "Class Member," or "Settlement Class Members."

Settlement Class Members: all current and former nonexempt employees of Defendants who were employed in California between July 11, 2023 through December 12, 2025. Defendant represents that based on its current knowledge, as of December 12, 2025, there were approximately 51,800 applicable workweeks worked by the Class Members in aggregate and that there are approximately 1,200 Class Members. If, it turns out that as of December 12, 2025, the number of workweeks ends up increasing by more than 8% Defendant shall increase the Total Settlement Amount proportionally (i.e. for an increase of 9% in workweeks, Defendant shall add an extra 1% to the Settlement Amount, for a 10% increase in employees Defendant shall add an extra 2% to the Settlement Amount).

1.26 "Settlement Class Counsel."

John G. Yslas, Diego Aviles, Harry Erganyan, and Mariam Nazaretyan of Wilshire Law Firm.

1.27 "Settlement Class Counsel Costs."

The costs approved by the Court for Settlement Class Counsel's litigation and resolution of the Action, including, but not limited to, costs associated with documenting the Settlement, securing the Court's approval of the Settlement, and obtaining entry of the Judgment terminating the Action. Settlement Class Counsel will request costs in an amount not over $12,000.00. Defendant agrees not to oppose Settlement Class Counsel's request for costs as set forth above.

1.28 "Settlement Class Counsel Fees."

The attorneys' fees approved by the Court for Settlement Class Counsel's litigation and resolution of the Action, including, but not limited to, attorneys' fees associated with the litigation of the Action, including documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court's approval of the Settlement, handling any objections or appeals related to the Settlement, and obtaining entry of the Judgment approving the Settlement. Settlement Class Counsel will request attorneys' fees not to exceed thirty percent (30%) of the Settlement Amount. Defendant agrees not to oppose Settlement Class Counsel's request for attorneys' as set forth above.

1.29 "Settlement Class List Data."

A complete list of all Settlement Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within 20 business days after Preliminary Approval of this Settlement. The Settlement Class List will be provided directly to the Settlement Administrator formatted in a Microsoft Office Excel spreadsheet and will include each Settlement Class Member's full name; most recent mailing address if available; Social Security Number; and dates of employment during the Class Period.

1.30 "Settlement Class Period" or "Class Period."

The period from July 11, 2023 through December 12, 2025.

2. <u>TERMS OF AGREEMENT</u>

Plaintiff, on behalf of himself and the Settlement Class, and Defendant, in consideration of the mutual covenants, promises, and undertakings set forth herein agree, subject to the Court's approval, as follows:

1.1.Complaint.

Plaintiff will file a first amended complaint which merges the separately filed PAGA Complaint into the pending federal court case, attached hereto as Exhibit A, which shall be deemed to be the operative Complaint.

2.2 Stipulation to Class Certification for Settlement Purposes Only.

The Parties agree that, for settlement purposes only, the Court shall certify a Settlement Class consistent with this Settlement Agreement. The Parties agree that nothing in this Settlement Agreement, including the Parties' agreement regarding certification for settlement purposes only, is in any way an admission that class certification is proper and that evidence of this limited stipulation for settlement purposes only will not be deemed admissible in this or any other proceeding for any reason. If the Court does not approve the Settlement, despite the Parties' best efforts, this stipulation to certification will be void. The Parties further agree that this Settlement Agreement, and specifically the certification for purposes of settlement, is not a waiver of Defendant's claimed right to oppose certification or assert any of its affirmative defenses in the Action in the event that the Effective Date does not occur.

2.3 Settlement Amount.

Aside from the employer's share of payroll taxesand the escalator clause contained herein, Defendant agrees to pay no more than the Settlement Amount. Defendant will pay no other amounts in connection with this Settlement Agreement.

2.4 Funding of the Settlement Amount.

Within 20 business days after the Effective Date, Defendant will deposit the Settlement Amount into a Qualified Settlement Fund ("QSF") to be established as a trust by the Settlement Administrator. The Settlement Administrator shall then distribute the Individual Settlement Payments, the LWDA Payment, Settlement Class Counsel's Attorneys' Fees and Costs, Plaintiff's Incentive Award, all supplemental tax payments, and a payment to itself for Court-approved services performed in connection with the Settlement. The Parties agree that the amounts held in the QSF will always be treated as a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468B-1, et seq. The Parties further agree that for purposes of Section 468B of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations promulgated thereunder, Defendant shall be treated as the "transferor" within the meaning of Treasury Regulation § 1.468B-1(d)(1), and that the Settlement Administrator shall be the "administrator" of the QSF within the meaning of Treas. Reg. § 1.468B-2(k)(3). The Parties agree that the Settlement Administrator shall, in establishing the trust, make any such elections as necessary or advisable to carry out the "relation back election" (as defined in Treas. Reg. § 1.468B-1(j)(2)(i)) back to the earliest permitted date. Such elections shall comply with the procedures and requirements contained in such regulations. It shall be the Settlement Administrator's responsibility to timely and properly prepare and deliver the necessary documentation for signature by all necessary Parties, and to cause the appropriate filing to occur. The Parties intend that the transfers to the trust described in this section will satisfy the "all events test" and the "economic performance" requirement of Code Section 461(h)(1) and Treasury Regulation Section 1.461-1(a)(2). The Settlement Administrator shall be responsible for filing tax returns for the trust, if appropriate, including application for employer identification numbers in accordance with Treasury Regulation Section 1.468B-2(k)(4). In the event of Defendant's failure to make payment within 20 business days of the Effective Date or other material breach, Plaintiff may immediately petition the Court for settlement enforcement, and will be entitled to an award of all fees and costs incurred in conjunction with settlement enforcement.

2.5 Settlement Class Counsel Fees and Settlement Class Counsel Costs.

Defendant agrees not to oppose or impede any application or motion by Settlement Class Counsel for attorneys' fees of not more than thirty percent (30%) of the Class Settlement Amount, plus the reimbursement of costs and expenses in an amount not to exceed $12,000.00, which will be paid from the Settlement Amount provided that such application or motion is consistent with this Settlement Agreement, and approved by the Court. The Court's approval of the Settlement Class Counsel Fees or Costs is not a material term of this Settlement Agreement. If the Court does not approve or approves only a lesser amount than that requested by Settlement Class Counsel, the other terms of this Settlement Agreement shall apply. The Court's refusal to approve the Settlement Class Counsel Fees or Costs as requested by Settlement Class Counsel does not give Plaintiff, Class Members, PAGA Members, or Class Counsel any basis to abrogate this Settlement. Any amount of the Settlement Class Counsel Fees or Costs as requested by Settlement Class Counsel but unapproved by the Court shall be allocated to the Net Settlement Amount.

2.6 Incentive Award.

In recognition of his efforts and work in prosecuting the Action, Defendant agrees not to oppose or impede any application or motion for an Incentive Award of $10,000 to Plaintiff. The Incentive Award will be paid from the Class Settlement Amount, provided that such application or motion is consistent with this Settlement Agreement and that it is approved by the Court. Plaintiff will be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this section and will indemnify and hold Defendant and the Released Parties harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payment. The Court's approval of the Incentive Award is not a material term of this Settlement Agreement. If the Court does not approve or approves only a lesser amount than that requested by Settlement Class Counsel, the other terms of this Settlement Agreement shall apply. The Court's refusal to approve the Incentive Award as requested by Settlement Class Counsel does not give Plaintiff, Class Members, PAGA Members, or Class Counsel any basis to abrogate this Settlement. Any amount of the Incentive

Award as requested by Settlement Class Counsel but unapproved by the Court shall be allocated to the Net Settlement Amount.

2.7 Settlement Administration Costs.

The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Class Settlement Amount, the maximum of which is $15,500.00. These costs, which will be paid from the Class Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing the Notice Packet, calculating and distributing the Settlement Amount and Individual Settlement Payments, administering the QSF, making all of the required employer tax payments, and providing necessary reports and declarations.

2.8 Labor and Workforce Development Agency Payment.

Subject to Court approval, the Parties agree that $80,000 from the Settlement Amount will be designated for satisfaction of Plaintiff's and Class Members' PAGA claims for civil penalties. Pursuant to the PAGA, 65%, or $52,000, of the PAGA Settlement Amount will be paid to the LWDA; and 35%, or $28,000, of the PAGA Settlement Amount will be included in the Net Settlement Amount. The LWDA shall be notified of the existence of the Settlement. If the LWDA objects to the amount of its payment and the Court sustains the objection, or if the Court denies approval of the Settlement Agreement based on the sufficiency of the PAGA Settlement Amount or LWDA Payment, the Parties will negotiate a different portion of the Settlement Amount to be allocated to the PAGA Settlement Payment. In no event will the allocation result in an increase in the Class Settlement Amount. Pursuant to controlling California law, class members who were employed during the applicable PAGA period will not be able to opt-out of receipt of his or her PAGA penalty payment and his/her PAGA rights will be extinguished.

2.9 Net Settlement Amount.

The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Participating Settlement Class Members from the Settlement Class in accordance with the terms of this Settlement, as well as individual PAGA payments to the PAGA Members. No portion of the Net Settlement Amount will revert to or be retained by Defendant.

2.10 Calculation of Individual Settlement Payment.

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of workweeks (i.e., at least one shift during a workweek) a Participating Settlement Class Member is calculated to have worked during the Class Period. A Class Member's Settlement Share will equal the Net Settlement Amount times the ratio of: (i) the number of workweeks worked by the Class Member for Defendant in California as a non-exempt hourly employee from July 11, 2023, through December 12, 2025, to (ii) the total number of workweeks worked by all such Class Members during the Settlement Period (other than those who elected not to participate in the Settlement).

The entire Net Settlement Amount will be disbursed to all Class Members who do not submit a timely and valid Request for Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall remove the number of workweeks worked by the excluded individual for Defendant during the Class Period from the total number of workweeks worked by all Class Members, such that 100% of the Net Settlement Amount is distributed pro rata.

2.11 Calculation of the Individual PAGA Settlement Payment.

Class Members who are also PAGA Members will be entitled to receive a portion of the PAGA Settlement Amount, in accordance with the formula set forth below:

A PAGA Members' Settlement Share will equal the PAGA Settlement Amount times the ratio of: (i) the number of pay periods worked (i.e., worked at least one shift in a pay period) by the PAGA Member for Defendant in California as a non-exempt hourly employee from May 30, 2024 through December 12, 2025 to (ii) the total number of pay periods worked by all such PAGA Members during the PAGA Period.

2.12 No Credit Towards Benefit Plans.

The Individual Settlement Payments made to Participating Settlement Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any benefits under any employee benefit plans to which any Settlement Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, service plans, PTO plans, or any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any employee benefit plans, contracts or any other agreement or requirements.

2.13 Administration Process.

The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement.

2.14 Delivery of the Settlement Class List Data.

Within 21 calendar days of Preliminary Approval, Defendant will provide the Settlement Class List to the Settlement Administrator. The Settlement Class List Data shall only be used by the Settlement Administrator to notify the Settlement Class Members of the Settlement. This information shall not be disclosed to Class Counsel, Plaintiff, any Class Members or their counsel, or any other third party.

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

Within 21 calendar days after receiving the Settlement Class List from Defendant, the Settlement Administrator will mail a Notice Packet to all Settlement

Class Members via regular First-Class U.S. Mail, using the most recently known mailing addresses identified in the Class List or any updated addresses found by the Settlement Administrator.

2.16 Confirmation of Contact Information in the Settlement Class List.

Prior to mailing the Notice Packets, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security Number of the Class Member involved, and will then perform a single re-mailing. Those Settlement Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have the later of: (a) an additional 15 calendar days from the date of re-mailing; or (b) the Response Deadline, to postmark a Request for Exclusion or Notice of Objection to the Settlement. Unless the Settlement Administrator receives a Notice Packet returned from the United States Postal Service as non-deliverable, the Settlement Class Notice shall be deemed mailed and received by the Settlement Class Member to whom it was sent 5 days after mailing.

2.17 Notice Packets.

All Settlement Class Members will be mailed a Notice Packet containing the Notice attached as Exhibit B. Each Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class and PAGA Members definitions; (d) each Settlement Class Member's estimated Individual Settlement Payment and the general formula for calculating Individual Settlement Payments (including the number of Class Period Workweeks and PAGA Pay Periods (if applicable); (e) the dates which comprise the Settlement Class and PAGA Period; (f) instructions on how to submit Requests for Exclusion or Notices of Objection; (g) the deadlines by which the Settlement Class Member must postmark, email or fax Requests for Exclusions or postmark, email or fax Notices of Objection to the Settlement; (h) the claims to be released, as set forth herein; and (i) the date for the Final Approval Hearing.

2.18 Disputed Claims.

All disputes by Class Members regarding the Gross Earnings or Individual Settlement Payment must be addressed to the Settlement Administrator and emailed, faxed or postmarked on or before the Response Deadline. Such disputes will be resolved by the time of the Final Approval Hearing. Defendant's records, however, are presumed to be correct unless a Settlement Class Member proves otherwise with documentary evidence. The Settlement Administrator will evaluate the evidence submitted by the Settlement Class Member and will make the final decision as to the dispute. The decision shall be binding on the Settlement Class Member and no additional rights of appeal shall exist.

2.19 Request for Exclusion Procedures.

Any Settlement Class Member wishing to opt out from the Settlement Agreement must sign and postmark, email or fax a written Request for Exclusion to the Settlement Administrator on or before the Response Deadline. The postmark date on the return mailing envelope, email date or fax receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Settlement Class Counsel and Defendant's Counsel the number of Requests for Exclusion that were timely submitted. All Settlement Class Members who do not submit a valid and timely Request for

Exclusion will be deemed a Participating Settlement Class Member and will be entitled to receive an Individual Settlement Payment.

If a Settlement Class Member's Request for Exclusion is defective as to the requirements listed herein, that Settlement Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Settlement Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Settlement Class Member that his or her submission is defective, the reason(s) why it is defective and that the defect(s) must be cured to render the Request for Exclusion valid. The Settlement Class Member will have until the later of: (a) the Response Deadline or (b) ten (10) calendar days from the date of the cure letter, whichever date is later, to postmark, email or fax a corrected Request for Exclusion. If the corrected Request for Exclusion is not postmarked, emailed or received by fax within that period, it will be deemed untimely.

Not later than five calendar days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator will email a list to Class Counsel and Defense Counsel containing the names of Class Members who timely submitted valid Requests for Exclusion.

2.20 Confidentiality and Publicity.

Neither Plaintiff nor Settlement Class Counsel, directly or indirectly, shall issue a press release or hold a press conference, publish information about the Settlement on any website, or otherwise publicize the Settlement with the exception that the Settlement Administrator may post the Settlement Class Notice, the Order Granting Preliminary Approval, the Final Judgment, and other documents material to the Settlement on its website or other medium. Plaintiff and Settlement Class Counsel agree not to respond to any press inquiries concerning the Settlement except to state, if necessary, that the matter was resolved.

2.21 Revocation of Settlement Agreement.

Only Defendant has the right to withdraw from or rescind the Settlement Agreement, and Defendant shall only have the right to do so if, prior to the Final Approval hearing: (a) 5% or more of all Settlement Class Members submit a valid and timely Requests for Exclusion; (b) the Settlement is construed in such a fashion that Defendant is required to pay more than the Settlement Amount as described herein; or (c) the Court does not certify the Settlement Class or does not certify a class releasing the claims set forth herein, or otherwise makes an order inconsistent with any of the material terms of this Settlement Agreement. If Defendant withdraws or rescinds the Settlement, it will be responsible for paying for all of the Claims Administrator costs incurred, including the costs for any notice that the Court orders to be sent to the Settlement Class Members to inform them of Defendant's withdrawal or rescission.

2.22 Settlement Terms Bind All Settlement Class Members Who Do Not Opt Out.

Any Settlement Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be a Participating Settlement Class Member and will be bound, on their own behalf and on behalf of their respective heirs, administrators, executors, estates, agents, representatives, successors and assigns, by all of the terms of the Settlement Agreement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants Final Approval to the Settlement.

2.23 Objection Procedures.

To object to the Settlement Agreement, a Settlement Class Member must postmark a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline. The Settlement Class Member must sign the Notice of Objection, and the Notice of Objection must contain all information this Settlement

Agreement requires. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. Settlement Class Members who fail to object in the manner specified above will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections and seeking any adjudication or review, whether by appeal or otherwise, to the Settlement Agreement. Settlement Class Members who postmark timely Notices of Objection will have a right to appear at the Final Approval Hearing and have the Court hear their objections. None of the Parties or their counsel will seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement Agreement or appeal from the Final Approval Order. Class Counsel will not represent any Class Members with respect to any such objections to this Settlement. Plaintiff will neither submit a Request for Exclusion nor Notice of Objection to the Settlement.

2.24 Certification Reports Regarding Individual Settlement Payment Calculations.

The Settlement Administrator will provide Defendant's counsel and Settlement Class Counsel a weekly report which certifies the number of Settlement Class Members who have submitted valid Requests for Exclusion, any Objections, and whether any Settlement Class Member has submitted a challenge to any information contained in their Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

2.25 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 obligations under this Agreement.

2.26 Settlement Checks.

If a Class Member is entitled to both an Individual Net Settlement Payment and an Individual PAGA Settlement Payment, the Individual Net Settlement Payment and the Individual PAGA Settlement Payment will be combined and distributed as one single check.

2.27 Uncashed Settlement Checks.

Any checks the Settlement Administrator issues to Participating Settlement Class Members will be negotiable for 180 calendar days, after which they will become void. Those funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than 180 calendar days after issuance will be delivered to the California State Controller's Unclaimed Property Fund in the name of the Participating Settlement Class Member as listed on the settlement check.

2.28 Certification of Completion.

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

2.28 Tax Treatment of Individual Settlement Payments.

All Individual Settlement Payments will be allocated as follows: 20% of each Individual Settlement Payment will be allocated as wages, 80% of each Individual Settlement Payment will be allocated to penalties, interest and expenses. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to non-wages will be reported on an IRS Form-1099 by the Settlement Administrator.

2.29 Administration of Taxes by the Settlement Administrator.

The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Settlement Class Members, PAGA Members, and Settlement Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and required withholdings to the appropriate government authorities.

2.30 Tax Liability.

Defendant and Settlement Class Counsel make no representation as to the tax treatment or legal effect of the payments called for in this Settlement Agreement, and Plaintiff and Participating Settlement Class Members and PAGA Members are not relying on any statement, representation, or calculation by Defendant, Settlement Class Counsel or by the Settlement Administrator in this regard. Plaintiff and Participating Settlement Class Members and PAGA Members understand and agree that, they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.

2.31 Circular 230 Disclaimer.

EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” IS EACH PARTY TO THIS AGREEMENT, AND AN “OTHER PARTY” IS ANY PARTY OTHER THAN THE ACKNOWLEDGING PARTY) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED

UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY TO ANY OTHER PARTY OR ANY ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

2.32 No Prior Assignments.

The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

2.33 Nullification of Settlement Agreement.

If: (a) the Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement and all the terms and agreements contained therein, and any documents generated to bring it into effect, will be null and void, and all amounts deposited into the QSF will be returned to Defendant with the exception of the Claims Administrators' costs incurred. Any order or judgment the Court enters in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

2.34 Preliminary Approval Hearing.

Plaintiff will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement and the entry of a Preliminary Approval Order that: (a) conditionally certifies the Settlement Class for settlement purposes only, (b) preliminarily approves the Settlement Agreement, and (c) sets a date for a Final Approval Hearing.

The Preliminary Approval Order will provide for the Notice Packet to be sent to all Settlement Class Members as specified herein. In conjunction with the Preliminary Approval Hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet, *i.e.*, the proposed Notice of Class and PAGA Action Settlement documents. Settlement Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval with review by and in consultation with Defendant's Counsel. Settlement Class Counsel will also be responsible for sending this Settlement Agreement to the LWDA.

2.35 Final Approval Hearing and Entry of Judgment.

Upon expiration of the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether to grant final approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the LWDA Payment; (c) Settlement Class Counsels' Attorneys' Fees and Costs; (d) the Incentive Award; and (e) all Settlement Administration Costs. Settlement Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Settlement Class Counsel will also be responsible for drafting the attorneys' fees and costs and Incentive Award application to be heard at the Final Approval Hearing.

2.36 Judgment and Continued Jurisdiction.

Upon final approval of the Settlement by the Court or after the Final Approval Hearing, the Parties will present the Judgment (Exhibit C) to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction until all payments and obligations provided for in the Settlement have been fully executed solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

2.37 Release by Participating Settlement Class Members.

Upon the Effective Date, the Participating Settlement Class Members will be deemed to have released and forever discharged the Released Parties of the Released Claims.

2.38 Exhibits Incorporated by Reference.

The terms of this Settlement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement are an integral part of the Settlement.

2.39 Entire Agreement.

This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. Except as otherwise provided herein, each party shall bear its own costs and attorneys' fees.

2.34 Amendment or Modification.

This Settlement Agreement may be amended or modified only by a written instrument, to be signed either by authorized representatives of all Parties or their respective successors-in-interest.

2.35 Authorization to Enter into Settlement Agreement.

Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement.

2.36 Use of Best Efforts.

The Parties and their counsel will cooperate with each other and use their best efforts to effect and implement all terms and conditions of the Settlement and to exercise their best efforts to accomplish the foregoing terms and conditions of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the Court's assistance to resolve such disagreement.

2.37 Binding on Successors and Assigns.

This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties, as previously defined.

2.38 California Law Governs.

All terms of this Settlement Agreement and exhibits hereto will be governed by and interpreted according to the laws of the State of California.

2.39 Execution and Counterparts.

The Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including email, facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts upon request.

2.40 Acknowledgement that the Settlement Is Fair and Reasonable.

The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after extensive arm's-length negotiations and in the context of adversarial litigation, considering all relevant factors, present and potential. The Parties further acknowledge that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement. Plaintiff agrees not to opt-out or object to the Settlement.

2.41 No Admission of Liability.

Defendant and the Released Parties deny all claims asserted or that could have been asserted on behalf of the Settlement Class and deny all wrongdoing whatsoever. This Settlement Agreement is not a concession or admission, and will not be used against Defendant or any of the Released Parties as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant or any of the Released Parties. Regardless of whether the Settlement Agreement is finally approved, neither the Settlement Agreement, nor any document, statement, proceeding, or conduct related to this Settlement Agreement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted in evidence as, received as, or deemed to be, evidence of a presumption, concession, indication, or admission by Defendant, or any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage.

2.42 Communications about Settlement.

The Parties and their counsel will keep the Settlement negotiations confidential and will not disclose that information to any third party (including the press) except as set forth herein or unless the Parties otherwise agree in writing. For purposes of this section, third parties shall not include other attorneys, if any, representing Plaintiff in this matter. Except as provided herein, the Parties will keep the Settlement confidential until the filing of the Motion for Preliminary Approval.

To the extent any Settlement Class Members inquire regarding the status of the case, the Parties and their counsel may indicate that a tentative settlement has been reached subject to preliminary approval by the Court (or that a settlement has been preliminarily approved, if applicable) but may not disclose the terms prior to the filing of the Motion for Preliminary Approval. Notwithstanding the foregoing, Defendant shall have the right to disclose the terms of the Settlement for accounting, tax, or public filing purposes. Plaintiff and his counsel agree that at no time will they, verbally or in writing, defame or make disparaging remarks or encourage, solicit, induce or entice others to make disparaging remarks about Defendant or the Released Parties unless the Court denies approval of this Settlement and the Parties are unable to negotiate a different settlement.

2.43 Data and Documents Produced by Defendant.

Plaintiff and Settlement Class Counsel agree to keep confidential all data and documents produced by Defendant as "confidential" during discovery or in connection with the mediation and/or settlement of this matter. Unless otherwise ordered by a court or permitted in writing by Defendant, Plaintiff agrees to not disclose the confidential information or documents, and Settlement Class Counsel agrees to not disclose the confidential information or documents under any circumstances except as necessary if threatened with or named in a lawsuit alleging malpractice and/or if their respective malpractice carriers request to see the file or as required by law. Notwithstanding any other provision in this paragraph, Settlement Class Counsel may use the information that they received from Defendant in the motions for preliminary and final approval of the Settlement or if it is needed to uphold the Settlement.

2.44 Full Payment of Attorneys' Fees and Costs.

Plaintiff and Settlement Class Counsel understand and agree that any attorneys' fees and costs payments made under this Settlement will be the full, final, and complete payment of all attorneys' fees and costs related to the Action, including all attorneys' fees and costs arising from or relating to the representation of Plaintiff, the Settlement Class Members, the LWDA, the State of California, or any other attorneys' fees and costs associated with the investigation, discovery, and/or prosecution of the claims released under the Settlement Agreement in both the federal and state court cases. Plaintiff's counsel will release any claim they may have against Defendants and the Released Parties for attorneys' fees or costs arising from or relating to the representation of Plaintiff, the Settlement Class Members, the LWDA, the State of California, or any other attorneys' fees and costs associated with the investigation, discovery, and/or prosecution of the claims released by the Settlement Agreement and the Action. Defendant's sole obligations to Settlement Class Counsel and the Settlement Administrator are set forth in this Settlement. Class Counsel shall not seek to recover any fees or costs awarded in excess of the terms in this Settlement if this Settlement is approved and the Effective Date occurs.

2.45 Invalidity of Any Provision.

Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

2.46 Waiver of Certain Appeals.

The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only. Either party may appeal any court order that materially alters the Settlement Agreement's terms. Nevertheless, the Parties will expeditiously work together in good faith to address such an order to obtain final approval and entry of Judgment.

2.47 Captions.

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

2.48 Waiver.

No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

2.49 Mutual Preparation.

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

2.50 Representation by Counsel.

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement and that this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Settlement Class Counsel warrant and represent that there are no liens on the Settlement Agreement or on any amounts to be paid to them under the Settlement Agreements' terms.

2.51 All Terms Subject to Final Court Approval.

All amounts and procedures described in this Settlement Agreement will be subject to final Court approval.

2.52 Cooperation and Execution of Necessary Documents.

All Parties will cooperate in good faith and sign all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

2.53 Binding Agreement.

The Parties warrant that they understand and have full authority to enter into this Settlement, further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

2.54 Continuing Jurisdiction

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for the purposes of: (a) enforcing this Agreement and/or Judgment; (b) addressing the settlement administration matters; and (c) addressing any post-judgment matters as are permitted by law.

2.55 Stay of Litigation

The Parties agree that upon the execution of this Agreement the litigation will be stayed, except to effectuate the terms of this Agreement.

2.56 Notice to Parties.

Whenever this Settlement requires or contemplates that one party, the Court, or the Settlement Administrator shall or may give notice to another, notice shall be provided by email facsimile and/or next-day (excluding Sundays and Court holidays) express delivery service as follows:

<u>If to Defendant, then to:</u>

Torey Joseph Favarote
David H. Danning
GLEASON & FAVAROTE, LLP
3646 Long Beach Blvd., Suite 203
Long Beach, California 90807
Telephone: (213) 452-0510
Facsimile: (213) 452-0514
tfavarote@gleasonfavarote.com
ddanning@gleasonfavarote.com

If to Plaintiff, then to:

John G. Yslas
Diego Aviles
Harry Erganyan
Mariam Nazaretyan
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989
john.yslas@wilshirelawfirm.com
diego.aviles@wilshirelawfirm.com
harry.erganyan@wilshirelawfirm.com
mariam.nazaretyan@wilshirelawfirm.com

SIGNATURES - READ CAREFULLY BEFORE SIGNING

Dated: 2/19/2026

DocuSigned by:
F3A7B4010FDD4BD...

Eric Herrera on behalf of himself and all others similarly situated

Dated: 17 February 2026

Cole Carter
CAO/GC
On behalf of Defendant CoreCivic of Tennessee, LLC

APPROVED AS TO FORM

Dated: February 19, 2026

WILSHIRE LAW FIRM

BY: ______________________
Diego Aviles
Attorneys for Plaintiff Eric Herrera

Dated: February 19, 2026 GLEASON & FAVAROTE, LLP

By: ______________________________
Torey Joseph Favarote
Attorneys for Defendants

PROOF OF SERVICE

I, Torey Joseph Favarote, declare:

I am and was at the time of the service mentioned in this declaration, employed in the County of Los Angeles, California. I am over the age of 18 years and not a party to the within action. My business address is Gleason & Favarote, LLP, 3646 Long Beach Blvd., Suite 203, Long Beach, CA 90807.

On December XX, 2025, I served a copy(ies) of the following document(s):

STIPULATION OF CLASS AND PAGA SETTLEMENT AND RELEASE

on the parties to this action as follows:

Attorney	Party(ies) Served	Method of Service
John G. Yslas, Esq. Diego Aviles, Esq. Harry Erganyan, Esq. Mariam Nazaretyan, Esq. WILSHIRE LAW FIRM 660 S. Figueroa St., Sky Lobby, Los Angeles, CA 90017 Telephone: (213) 381-9988 Facsimile: (213) 381-9989 john.yslas@wilshirelawfirm.com diego.aviles@wilshirelawfirm.com harry.erganyan@wilshirelawfirm.com mariam.nazaretyan@wilshirelawfirm.com	Attorneys for Plaintiff ERIC HERRERA	CM/ECF SYSTEM

☒ [BY CM/ECF SYSTEM] I caused the above-referenced document(s) to be sent by electronic transmission to the Clerk's Office using the CM/ECF System for filing which generated a Notice of Electronic Filing to the CM/ECF registrants in this case.

I declare that I am a member of the bar of this court. I declare under penalty of perjury under the laws of the United States of America that the above is true and correct, and that this declaration was executed on December XX, 2025, at Long Beach, California.

/s/ Torey Joseph Favarote
Torey Joseph Favarote

FEDERAL DISTRICT COURT OF THE SOUTHERN
DISTRICT OF CALIFORNIA

NOTICE OF CLASS AND PAGA ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

ERIC HERRERA, Individually, and on behalf of other members of the general public similarly situated, Plaintiff, vs. CORECIVIC OF TENNESSEE, LLC, and DOES 1-10, inclusive. Defendants.	CASE No. 3:25-cv-02298-GPC-DEB JUDGE: Hon. Gonzalo P. Curiel DEPARTMENT: Courtroom 2B (2nd Floor) **NOTICE OF CLASS AND PAGA ACTION SETTLEMENT AND RELEASE**

I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Eric Herrera v. CoreCivic of Tennessee, LLC*, Case No. 3:25-cv-02298-GPC-DEB (the "Action").

This notice is to inform you of the proposed settlement of the Action. The notice is also intended to: (i) describe the settlement, including how the settlement monies will be allocated and how the settlement may affect you; and (ii) to advise you of your rights and options with respect to the settlement.

You are receiving this notice by order of the Court because the records of CoreCivic of Tennessee, LLC (hereinafter "CoreCivic"), indicate that you are a current or former employee who worked for CoreCivic of Tennessee, LLC in California during the time period of July 11, 2023 through December 12, 2025 (the "Class"). As a result, **you are eligible to receive a portion of the settlement amount**.

This is **not** a notice of a lawsuit against you. **You are not being sued**. Your participation in the settlement will **not** affect your employment with CoreCivic of Tennessee, LLC in any way whatsoever.

II. WHAT IS THE CLASS/PAGA ACTION LAWSUIT ABOUT?

On March 30, 2025, Eric Herrera, a former CoreCivic employee in California, filed a lawsuit in which he alleged violations of California wage- and-hour laws on a class and representative basis as to all of CoreCivic's current and former non-exempt employees in California.

The Class Action alleges that the Class was not paid regular, minimum, or overtime wages or final wages upon separation from employment, as required by California law; was not provided legally adequate meal periods and rest breaks under the California Labor Code and Wage Orders; was not reimbursed for all business-related expenses; and was not provided wage statements with all of the information specified in the Labor Code. The Class Action also alleges violations under the California Business and Professions Code §§ 17200 et. seq. based on these same state law claims. The lawsuit also seeks penalties under California's Private Attorneys General Act ("PAGA") and California Labor Code.

The individual who is suing is referred to in this document as "Plaintiff." Plaintiff's attorneys, Wilshire Law Firm, have been litigating the Action since filing it.

<u>CoreCivic has denied and continues to deny the factual and legal allegations in the case and believes that it has strong defenses to all of Plaintiff's claims. CoreCivic also claims that the Class has been paid all monies due, and maintain that it has complied with all California wage-and-hour laws. This settlement is not an admission of any liability and is not evidence of any wrongdoing, nor does it indicate that any of CoreCivic's policies are unlawful.</u>

<u>The Court has not ruled on whether Plaintiff's allegations have any merit</u>. However, in order to avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, the parties have negotiated a settlement whereby CoreCivic has agreed to pay a total of $624,550.00. As a Class Member, you are eligible to receive a portion of this amount.

III. WHO IS INCLUDED IN THIS CLASS ACTION?

All current and former non-exempt employees who worked for CoreCivic, Inc or CoreCivic of Tennessee, LLC in California from July 11, 2023 through December 12, 2025 (the "Class Period").

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the parties' proposed settlement, the following will occur if the settlement is given final approval by the Court:

A. A claims administrator has been appointed by the Court to administer the settlement. The claims administrator will pay: (1) Plaintiff's counsel's attorneys' fees, up to $187,365.00; (2) Plaintiff's costs of litigation, up to the amount of $12,000.00; (3) The expenses of administering the settlement, up to the amount of $15,500.00; (4) An enhancement award of up to $10,000.00 for Plaintiff's role in pursuing the litigation; and (5) A payment of $52,000.00 to the California Labor & Workforce Development Agency.

B. The amount remaining after those deductions is estimated to be $347,685.00, and will be divided among all Class Members and PAGA Members based on the estimated number of workweeks and pay periods worked for CoreCivic of Tennessee, LLC as a non-exempt employee in California by each Class Member during the Class Period and the PAGA Period which is May 30, 2024 through December 12, 2025 (the "PAGA Period").

C. According to CoreCivic's records, you worked for CoreCivic in the State of California for approximately [INSERT NUMBER OF workweeks] and [INSERT NUMBER OF pay periods] during the Class Period and PAGA Period respectively. Your estimated class settlement amount is <<AMOUNT>> and your estimated PAGA settlement amount is <<AMOUNT>>. This is only an estimate. Your actual share may change depending on the Court's final ruling and the final number of participating Class Members. Your PAGA settlement amount and class settlement amount will be combined into one check.

D. If you believe the information above is incorrect, you may dispute this information by sending your corrections and any supporting documentation to the Claims Administrator via U.S. Mail, at ______________. Please be advised that the information listed above is presumed to be correct unless you prove otherwise.

E. If the Court grants final approval of the settlement and you do not opt out of the Class Action portion of the settlement, then you will release CoreCivic of Tennessee, LLC and as applicable, each of their respective past, present and future agents, employees, officers, directors, partners, trustees clients, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related corporations and/or partnerships (defined as a corporation and/or partnership that is, directly or indirectly, under common control with CoreCivic of Tennessee, LLC and/or CoreCivic, Inc.), divisions, predecessors, successors, insurers, consultants, employee benefit plans and fiduciaries thereof, and affiliated organizations, and the respective successors and assigns of any of the foregoing persons/entities (the "Released Parties") from all wage and hour claims, rights, demands, liabilities and causes of action of any nature or description arising from the facts, theories of liability and claims asserted in or contemplated by the Action and/or the claims that could have been asserted in the Action based on the facts ascertained or alleged in the Action, including without limitation, any and all statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, and equitable or other relief based on the following categories: (a) any and all claims involving any alleged failure to pay the wages required by state or federal law; (b) any and all claims arising under state or federal law involving any alleged failure to pay employees for all hours worked, including but not limited to any claim for minimum, straight time, or overtime wages; (c) any and all claims arising under state or federal law involving any alleged failure to pay wages, including but not limited to any claim involving "off the clock" work or the failure to pay for all time under the employer's control; (d) any and all claims involving payment of wages; (e) any and all claims involving the failure to correctly calculate or include bonuses, other incentive pay, or compensation of any kind in the "regular rate" of pay or compensation; (f) any and all claims arising under state law involving any alleged failure to properly provide meal periods and/or authorize and permit rest periods, to pay premiums for missed, late, short, unprovided, on-duty, or interrupted meal and/or rest periods, or to pay such premiums at the regular rate of compensation; (g) any and all claims involving any alleged failure to keep accurate records or to issue proper wage statements to employees; (h) any and all claims involving any alleged failure to timely pay wages, including but not limited to any claim of violation of Labor Code §§ 201 or 202, and any claim for waiting time penalties under Labor Code § 203; (i) any and all claims involving any alleged failure to reimburse for necessary business expenses under Labor Code §§ 2800 or 2802, including but not limited to any claim for the failure to provide and/or reimburse milage, work equipment, personal cellular telephone usage, or for reimbursement of any other necessary business expenses; (j) and any and all claims for unfair business practices in violation of Business and Professions Code sections 17200, et seq. (collectively, the "Released Claims"). The Released Claims include, but are not limited to, all claims arising under the California Labor Code sections 201, 202, 203, 204, 210, 213, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802,; the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200 et seq.; the California common law of contract; and federal common law. The release excludes the release of claims not permitted by law. The Released Claims cover the time period of July 11, 2023 through April 15, 2026 or the date of preliminary approval of the Settlement, whichever comes first. For the avoidance of doubt, only Class Members (i.e. those who worked from July 11, 2023 to December 12, 2025) are included in this release.

F. PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement Amount, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. All Aggrieved Employees (current or former non-exempt employees that worked for Defendant in California) during the PAGA Period are deemed to release Defendant from all claims for PAGA penalties asserted through California Labor Code §§ 2698, et seq. in the operative Complaint and in Plaintiff's PAGA Notice Letter, that arise out of or are related to the Released Claims during the PAGA Period, including California Labor Code sections 201, 202, 203, 204, 210, 213, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2698, 2699, 2699.3. A Class Member who is also a PAGA Member will receive his or her share of the PAGA Settlement Payment regardless of whether the Class Member opts out of the Settlement.

V. WHAT ARE MY OPTIONS?

A. ***You may accept your share of the settlement and be bound by the release of all claims described above.*** You don't have to do anything to participate in the Settlement. Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the Claims Administrator. Your check will remain valid and negotiable for one hundred twenty (180) days from the date on which it is issued. After those one hundred twenty (180) days expire, the check will become void and your settlement amount will be deposited with the California Controller's Unclaimed Property Fund in your name for future retrieval; ***or***

B. ***You may exclude yourself from the settlement, in which case you will not receive your share of the settlement and you will not be bound by the settlement***. If you choose to be excluded, by no later than ________(45 calendar days after mailing of this Notice), you must send a written request for exclusion, by mail, to the claims administrator, ______________. In order to be considered valid, your request for exclusion ***must*** include your name, a request for exclusion, and your signature. However, even if you choose Option B, you will still release the PAGA Claims and will receive payment from the PAGA settlement amount.

C. ***You may object to the settlement.*** The procedures for objecting to the settlement are described below in Section VIII of this form. Only Class Members who do not opt-out can object to the proposed settlement.

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The claims administrator will calculate your share of the settlement and will issue you a check.

B. Twenty (20%) of your share of the settlement will be considered wages from which ordinary tax withholdings will be deducted. No tax deductions shall be made from the remaining eighty percent (80%), which is allocated to penalties, interest and expenses. You will be given an IRS tax form for each of these amounts. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

C. It is important for the parties to have your current address in order to be able to send you other mailings regarding the Action. You should contact the Claims Administrator to report any change of your address after you receive this Notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

VII. HEARING ON PROPOSED SETTLEMENT

A final fairness hearing will be held before the Court on ___, 2026, at ____a.m., in Courtroom 2B (2nd Floor) of the Edward J. Schwartz U.S. Courthouse for the Southern District of California, located at 221 West Broadway, Suite 3140, San Diego, CA 92101, to decide whether or not the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you. You are not required to attend the hearing. Wilshire Law Firm (contact information below), counsel for Plaintiff and the Class, will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. Procedures for making remote appearances at the hearing are allowed, but are subject to change. However, those procedures are posted on the Court's website at: _______________. You should check the Court website for up-to-date information before attempting to make a remote appearance.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

You have the option of objecting to the settlement and telling the Court that you don't agree with the settlement or some part of it. The Court will consider your views. To object, you may send a letter, which you must sign, saying that you object to the settlement of *Eric Herrera v. CoreCivic of Tennessee, LLC*, Case No. 3:25-cv-02298-GPC-DEB. Be sure to include the case name and case number (as shown in the preceding sentence), your name, that you object (you may at your discretion provided the specific reasons you object to the terms of the settlement), and your signature. Mail the objection to the Claims Administrator address at _______________ or fax to _______________ on or before ____________, 2026 (45 calendar days after mailing of this notice). A written objection is optional. You may also appear at the Final Approval Hearing, as described in Section VII, above, to have any objections heard by the Court.

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This notice summarizes the settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number 3:25-cv-02298-GPC-DEB. The pleadings and all other records from this litigation may be examined by inspecting the Court files in the Edward J. Schwartz U.S. Courthouse for the Southern District of California, located at 221 West Broadway, Suite 3140, San Diego, CA 92101. You may also review the settlement agreement, along with other court records regarding this case, on the Settlement Administrator's website at ________________________.

If you have any questions, you can call the Claims Administrator at ______________________ or Class Counsel (see below for phone numbers.)

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PLEASE DO NOT CALL THE COURT, CORECIVIC OF TENNESSEE, LLC OR THEIR CORPORATE OFFICE, MANAGERS, NOR CORECIVIC'S ATTORNEYS REGARDING THIS SETTLEMENT.

EXHIBIT 3

ELM Solutions

2025 Real Rate Report® powered by LegalVIEW® DynamicInsights

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

Wolters Kluwer

Exhibit 3
Page 55

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Exhibit 3
Page 56

Table of Contents - 2025 Real Rate Report

NOTE:
You may experience an issue that can sometimes occur in PDF viewer. Thin lines (like table borders) may appear to "disappear" or look broken when zoomed out in a PDF viewer. This is usually a display/rendering issue rather than a problem with the actual content of the PDF.

Solution:
- Open the PDF in Acrobat and go to Edit > Preferences > Page Display.
- Uncheck Enhance thin lines (if it's checked).
- Restart Acrobat and reopen the PDF.

Exhibit 3
Page 57

A Letter to Our Readers

Welcome to the latest edition of the Real Rate Report®, the legal industry's most trusted benchmark for legal billing rates.

Since 2010, the Real Rate Report has helped legal departments and law firms make smarter decisions about pricing, resourcing, and vendor management. That hasn't changed. What has changed is how we deliver those insights.

This year, the Real Rate Report is powered by LegalVIEW® DynamicInsights—our new digital-first platform that brings the same trusted LegalVIEW data to life in a more interactive, flexible, and timely way. Leveraging Wolters Kluwer's LegalVIEW database, with over $200B in anonymized, approved, invoice data, LegalVIEW DynamicInsights offers dynamic filters, quarterly updates, and calendar-year alignment to help users tailor benchmarks to their unique needs, on demand.

The Real Rate Report remains a vital snapshot of the market, and we know many of you rely on it as a reference tool. But DynamicInsights goes further. It enables deeper exploration of rate trends by role, experience, geography, practice area, industry, and more. Whether you're negotiating rates, evaluating law firm performance, or planning budgets, DynamicInsights gives you the agility and precision today's legal environment demands.

As always, we welcome your feedback and thank our data contributors for making this work possible. We're proud to be your partner in legal analytics and look forward to continuing to deliver insights that drive better business outcomes.

Sincerely,

Brian Jorgenson
Vice President, Product Management
Wolters Kluwer ELM Solutions

Exhibit 3
Page 58

Real Rate Report Overview

The Real Rate Report is powered by LegalVIEW DynamicInsights, a web-based solution that delivers dynamic, invoice-backed insights through approved legal billing rates. It enables legal professionals to analyze rate trends by role, experience, industry, geography, practice area, and more using the world's largest repository of legal spend data.

DynamicInsights leverages the same trusted LegalVIEW database that has powered the Real Rate Report for years, now encompassing over $200B+ in anonymized, approved legal invoice data. As with previous Real Rate Reports, our data is sourced from corporations' and law firms' e-billing and time management solutions. We have included lawyer and paralegal rate data filtered by specific practice and sub-practice areas, metropolitan areas, and types of matters. This level of granularity gives legal departments and law firms the precision they need to identify areas of opportunity.

What's different with DynamicInsights?

Same source, same methodology: DynamicInsights uses the same rigorous data validation and methodology as the Real Rate Report.

- **Enhanced flexibility:** With dynamic filters, DynamicInsights enables users to tailor benchmarks to their unique needs and on demand.
- **Full year data:** DynamicInsights now aligns to a calendar year view—January through December—replacing the previous July-to-June format used in the Real Rate Report, reducing confusion and improving consistency across reporting periods.
- **More up to date:** Unlike the annual and static Real Rate Report, DynamicInsights is refreshed quarterly, offering more timely insights.
- **Digital-first access:** Delivered via a secure online interface, users can interact with the data, bookmark views, and share insights in real time.

DynamicInsights provides the same level of credibility and analytical power long trusted in the Real Rate Report with more agility and transparency for today's legal environment.

2025 Real Rate Report use considerations

- 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 DynamicInsights and this report are derived 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.

Legal departments 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.

Examples of data to consider when reviewing rates:

- **Industry –** Compare spend and rate trends across various industries
- **Practice area –** Analyze cost variations in different legal practice areas
- **Detailed practice area –** Drill down into niche legal specialties for precise benchmarking
- **Am Law –** Benchmark against top-ranked law firms for competitive rate analysis
- **City –** Understand rate trends in specific metropolitan areas
- **Country –** Gain a global perspective on legal costs and spend management
- **Role –** Assess legal spend distribution across different law firm roles

Real Rate Report Overview

Understanding key statistical terms

To help interpret the legal rate data presented in DynamicInsights and this report, it's important to understand the statistical measures used. Below are definitions of the core metrics:

- **Mean (average):** The sum of all rate values divided by the total number of values added. It provides a general sense of the central tendency of the rates but can be influenced by extreme values (outliers).
- **Median:** The middle value when all rates are arranged in ascending order. If there is an even number of rates being analyzed, the median is the average of the two middle rates. It is a robust measure of central tendency of rates that is less affected by outliers.
- **First quartile (Q1):** The value below which 25% of the rates fall. It marks the lower boundary of the middle 50% of the rates and helps identify the lower range of typical values.
- **Third quartile (Q3):** The value below which 75% of the rates fall. It marks the upper boundary of the middle 50% of the rates and helps identify the upper range of typical values.
- **n:** The number of unique timekeepers contributing to the data.

These metrics are used to provide a more nuanced view of legal rates, helping users identify trends, outliers, and benchmarks across various dimensions.


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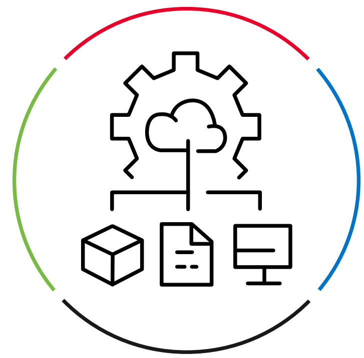
Legal rates keep climbing and 2026 will be no exception. Stay ahead with award-winning insights designed to give your team the edge in every negotiation.

Data that wins awards...and rate negotiations

- **Unmatched Data Power:** Leverages over **$200B in invoice-backed legal spend data** to deliver deep, actionable insights.
- **Strategic Legal Spend Management:** Empowers legal teams to negotiate smarter, plan more effectively, and control costs with greater precision.
- **Enhanced Transparency & Collaboration:** Strengthens law firm-client relationships through data-driven transparency and benchmarking.
- **Insight-Driven Decision Making:** Enables analysis across key dimensions to support strategic negotiations and financial optimization.



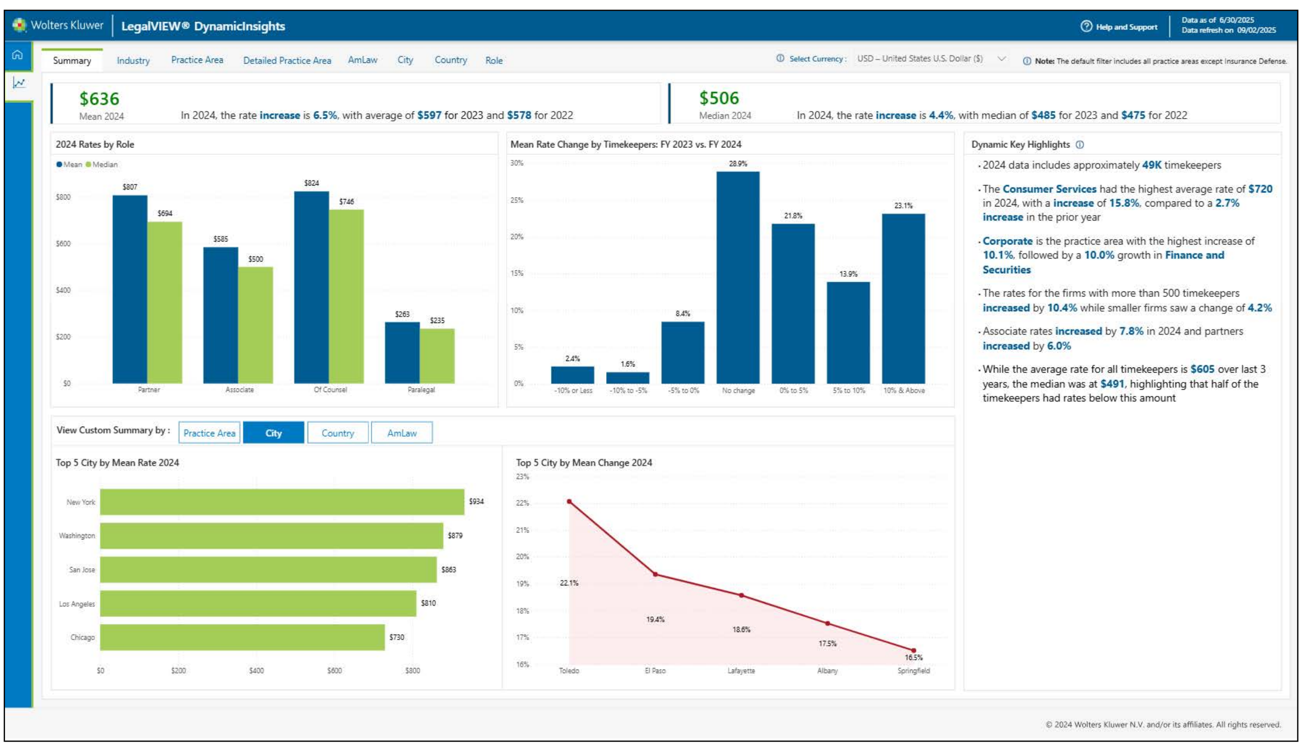


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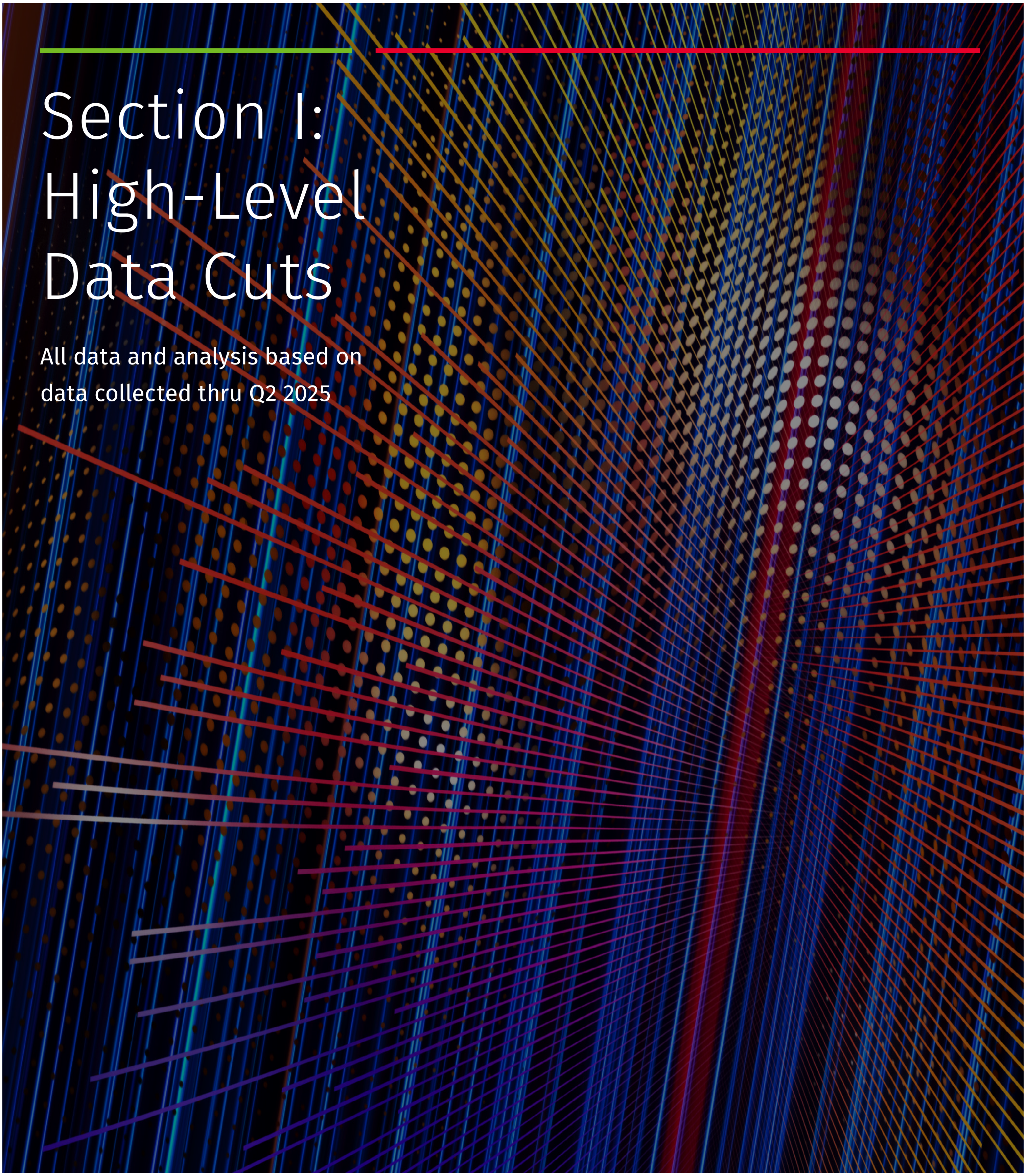
Exhibit 3
Page 62



Section I: High-Level Data Cuts

All data and analysis based on data collected thru Q2 2025

Exhibit 3
Page 63

Section I: High-Level Data Cuts

Cities
By Role

2025 Real Rates for Associate and Partner | **Trend Analysis - Mean**

City	Role	n	First Quartile	Median	Third Quartile	2025	2024	2023
Los Angeles CA	Partner	565	$517	$925	$1,365	$993	$979	$913
	Associate	518	$485	$720	$982	$761	$741	$684
Louisville KY	Partner	32	$291	$395	$500	$411	$395	$380
	Associate	19	$275	$290	$342	$304	$274	$268
Madison WI	Partner	10	$275	$420	$491	$420	$443	$563
Memphis TN	Partner	22	$325	$394	$470	$404	$428	$387
Miami FL	Partner	191	$250	$525	$733	$547	$570	$575
	Associate	128	$175	$330	$479	$357	$389	$393
Milwaukee WI	Partner	32	$364	$459	$649	$524	$581	$525
	Associate	18	$322	$455	$690	$498	$462	$404
Minneapolis MN	Partner	138	$475	$694	$918	$692	$673	$637
	Associate	111	$333	$450	$620	$485	$467	$432

Exhibit 3
Page 64

Section I: High-Level Data Cuts

Cities
By Years of Experience

2025 Real Rates for Partner — **Trend Analysis - Mean**

City	Years of Experience	n	First Quartile	Median	Third Quartile	2025	2024	2023
Phoenix AZ	21 or More Years	25	$350	$490	$674	$559	$499	$540
Pittsburgh PA	Fewer Than 21 Years	41	$501	$600	$810	$669	$658	$599
	21 or More Years	72	$480	$691	$860	$705	$733	$669
Portland ME	21 or More Years	18	$386	$435	$484	$418	$421	$381
Portland OR	Fewer Than 21 Years	17	$402	$465	$525	$599	$536	$509
	21 or More Years	32	$470	$525	$639	$594	$607	$553
Raleigh NC	21 or More Years	12	$396	$475	$510	$489	$477	$477
Richmond VA	Fewer Than 21 Years	10	$604	$703	$855	$707	$746	$687
	21 or More Years	24	$431	$713	$1,084	$739	$756	$726
Salt Lake City UT	Fewer Than 21 Years	12	$395	$447	$459	$422	$445	$412
	21 or More Years	16	$350	$463	$521	$480	$433	$407
San Diego CA	21 or More Years	33	$438	$785	$1,334	$894	$898	$882

Exhibit 3
Page 65

Section II: Industry Analysis

All data and analysis based on data collected thru Q2 2025

Exhibit 3
Page 66

Section II: Industry Analysis

Consumer Services

By Detailed Practice Area and Matter Type

2025 - Real Rates for Associate and Partner | **Trend Analysis - Mean**

Practice Area	Matter Type	Role	n	First Quartile	Median	Third Quartile	2025	2024	2023
Employment and Labor: Discrimination, Retaliation and Harassment / EEO	**Litigation**	Partner	27	$393	$495	$613	$509	$463	$436
		Associate	19	$400	$475	$493	$437	$387	$370
Employment and Labor: Other	**Litigation**	Partner	24	$564	$692	$1,252	$956	$782	$683
		Associate	14	$384	$469	$564	$553	$484	$458
	Non-Litigation	Partner	25	$450	$574	$695	$579	$573	$548
		Associate	25	$397	$450	$525	$465	$472	$456
Intellectual Property: Patents	**Non-Litigation**	Partner	41	$350	$595	$691	$605	$652	$634
		Associate	51	$208	$373	$517	$382	$378	$389
Real Estate: Leasing	**Non-Litigation**	Partner	17	$410	$539	$865	$616	$664	$667
		Associate	10	$278	$404	$617	$482	$444	$478
Real Estate: Other	**Non-Litigation**	Partner	58	$480	$626	$940	$694	$612	$540
		Associate	39	$320	$460	$733	$503	$468	$415

Exhibit 3
Page 67