

Exhibit 4

1 SUPREME COURT OF THE STATE OF NEW YORK
2 COUNTY OF NASSAU : CIVIL TERM : PART 20

3 -----X
4 ERIC HIJUELOS, EMMA HIRZ, EMMA KHACHO,
5 CHRISTOPHER LARA, MADISON LATTNER, BRIAN
6 MOJICA, and KYLE NELSON, on behalf of
7 themselves and all others similarly
8 situated,

9 Plaintiffs,

10 -against-

11 DEGREE, INC. d/b/a LATTICE,

12 Defendant.

13 -----X

14 Supreme Courthouse
15 100 Supreme Court Drive
16 Mineola, New York 11501
17 February 19, 2026

18 B E F O R E :

19 HONORABLE FRANCIS D. RICIGLIANO,

20 J U S T I C E

21 A P P E A R A N C E S :

22 FOR THE PLAINTIFFS:

23 OUTTEN & GOLDEN

24 685 3rd Avenue, 25th Floor
25 New York, New York 10017

BY: JUSTIN M. SWARTZ, ESQ

FOR THE DEFENDANT:

COOLEY LLP

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BY: DONNA C. SAADATI-SOTO, ESQ.

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BY: ERIKA FREEMAN, ESQ.

SUSAN NAPOLI, ACR, RCR, CSR, RMR, CRR
Senior Court Reporter

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1 THE COURT CLERK: In the matter of Eric Hijuelos,
2 Emma Hirz, Rema Khacho, Christopher Lara, Madison Lattner,
3 Brian Mojica, and Kyle Nelson against Degree, Inc. doing
4 business as Lattice, Index Number 619179 of '25.

5 Counselors, please state your appearances for the
6 record.

7 MR. SWARTZ: Good morning, your Honor. Justin
8 Swartz from Outten & Golden, for the plaintiffs.

9 MS. SAADATI-SOTO: Good morning, your Honor. Donna
10 Saadati-Soto, from Cooley, LLC, on behalf of defendant.

11 MS. FREEMAN: And Erika Freeman as well.

12 THE COURT: Okay. So there was a motion for a
13 preliminary approval that I put on for a hearing and I have
14 some questions concerning the settlement agreement as well as
15 the notice. So some things didn't make sense to me, maybe I
16 was reading it wrong. Let me get it.

17 Why are there seven plaintiffs in this, seven named
18 plaintiffs, and you're asking for payments to each of the
19 seven payments as opposed -- plaintiffs as opposed to six or
20 five or four or three or two?

21 MR. SWARTZ: Thank you, your Honor. Couple of
22 reasons. One, these plaintiffs represent different job
23 titles, very similar jobs, but they have different job
24 titles. If we would have had to litigate the case, we would
25 have wanted to have a representative plaintiff from each --

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1 from each job title, so that they could provide testimony so
2 that the jury could see -- could hear from people who did
3 basically the same job but had different job titles,
4 representativeness.

5 Second is some of them are from New York and some
6 of them are from California, so they would represent claims
7 from both of those states.

8 Third, some of them -- in fact, this is part of the
9 reason why this is a good settlement -- some of them had
10 releases, so they released their state law claims. Some of
11 them didn't and so we wanted to make sure we had at least
12 somebody who didn't release.

13 THE COURT: Let me just interrupt. I demand that
14 you sit down, that you don't have to keep getting up and
15 down.

16 MR. SWARTZ: Oh, thank you, your Honor.

17 THE COURT: Go ahead.

18 MR. SWARTZ: Yeah, so some of them had state --
19 they all have state law claims. Some of them have releases
20 or at least arguably the defendant would claim, so we wanted
21 to make sure we had people who didn't have releases.

22 And finally, some of them had arbitration
23 agreements, which would have arguably kept them out of court
24 altogether, if the defendants won that, and so we wanted to
25 make sure everybody was represented.

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1 And I guess the final reason is, when you bring a
2 case like this, when you present it to the defendants, it
3 feels a lot more weighty and likely to be a threat to them if
4 we have more than one or two people, because if we have -- so
5 we had seven -- we had seven people when we approached them
6 and we said, look, we have seven people. This is a case that
7 we're willing to litigate, we'll take it to trial if we have
8 to and the number of people makes it more substantial.

9 THE COURT: But you had seven people, this is
10 before you filed the complaint, right?

11 MR. SWARTZ: Yes.

12 THE COURT: Okay. So you could have had seven
13 people before you filed the complaint and then made --
14 convinced them that you had seven people and then filed the
15 complaint with two people and asked for payments for just two
16 people.

17 MR. SWARTZ: Well, I suppose that's correct, yes,
18 but all seven people helped us with the -- and represented
19 something different and helped us make the case more
20 substantial.

21 THE COURT: Now, I'm looking at your notice and it
22 says option two -- this is to the people who are getting this
23 notice.

24 Before that, option one, if you wish to participate
25 in the settlement and receive a payment, you do not need to

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1 take any action.

2 Then it says, option two, do nothing. You do not
3 have to be a part of the settlement. If the Court approves a
4 settlement, you will receive a notice with a check enclosed.
5 If you don't want to be part of the settlement, do not
6 deposit or cash the check and you will not be part of the
7 settlement or release any claims.

8 You do not have to be part of the settlement. If
9 the Court approves the settlement, you will receive a notice
10 and a check. If you don't want to be part of it, don't
11 deposit it and you will not be part of the settlement or
12 release any claims.

13 And then if you go to page 11 of the settlement,
14 class members who choose to opt out of the settlement must
15 mail a written signed opt-out statement to the settlement
16 administrator that says they're opting out and it has to say
17 "I opt out of the settlement."

18 So option two seems to say, if you don't want to be
19 part of it, don't do anything. The settlement says, if you
20 don't want to be part of it, you got to do something.

21 MR. SWARTZ: There are two portions of the
22 settlement, your Honor. There's the class action opt-out
23 part of the settlement, which covers New York and California,
24 with class representatives for them, for those dates. The
25 FSLA portion of the settlement is opting in. So they're two

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1 separate notices.

2 THE COURT: I see.

3 MR. SWARTZ: The part you read on page 11, section
4 5, refers to the class member opt out and that's the first
5 notice. The second notice is what applies to the opt in FSLA
6 class members.

7 THE COURT: And that's going to two different sets
8 of people?

9 MR. SWARTZ: Correct.

10 THE COURT: Okay. I got it.

11 Paragraph 6.2, objections to settlement. The
12 parties may -- at the last two sentences -- the parties may
13 file with the Court written responses to any filed objections
14 no later than three days before the hearing. Any reasons for
15 the objections not included in the written objection shall
16 not be considered by the Court.

17 Shouldn't that be my option to decide whether I'm
18 going to consider it?

19 MR. SWARTZ: Sure, yes, your Honor, it should be.
20 I think that what the intent of this was is that we would
21 tell the class members that they need to include any reason
22 that they object to the settlement, otherwise it won't be
23 considered. Although, I suppose --

24 THE COURT: And yet it would -- might be considered
25 if I wanted.

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1 MR. SWARTZ: I suppose we should say that it would
2 be considered only in the discretion of the Court. I mean,
3 the point of this is to -- is to the class members, so we can
4 respond to anything that a class member says.

5 THE COURT: I know what the point of it is.

6 MR. SWARTZ: Yeah, I understand.

7 THE COURT: So you're thinking that maybe you're
8 going to take out that one sentence; any reasons for the
9 objections not included in the written shall not be
10 considered?

11 MR. SWARTZ: I'd like -- we certainly will if
12 that's what -- if that's what you would like us to do. I
13 would like to at least try to convince you that we should
14 have something like that in there because we do want the
15 class members to know that they have to include all of their
16 reasons.

17 THE COURT: Well, you do that, you say the parties
18 may file with the Court written responses to any filed
19 objections no later than three days. So you're kind of
20 telling them that that's what -- and that's fine. I don't
21 have a problem with that.

22 MR. SWARTZ: That's fine. I don't have any problem
23 with that either. I mean, if somebody comes with a brand new
24 reason and shows up at the hearing, we'll talk to you about
25 whether we could have time to respond to that.

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1 THE COURT: Time to respond.

2 MR. SWARTZ: Okay.

3 THE COURT: Settlement terms, paragraph 13.

4 Actually, I don't have a question on that.

5 Just one second.

6 Okay. Unclaimed funds, paragraph 8.2, 8.2 (b).

7 8.2 (a) says that any interest in the QSF and any
8 portion of the total settlement fund allocated to class
9 members not distributed as per the terms hereof, including
10 any check not cashed, shall be redistributed pro rata to the
11 participating collective members and participating class
12 members who cashed or otherwise negotiated a settlement check
13 or if redistribution is impracticable on the basis that the
14 amount remaining in the net fund is similar to or less than
15 the cost of the second distribution, it shall be donated to
16 the East Bay Community Center.

17 So, if it's not cashed it goes to whoever cashed
18 their check, they get more, or if you can't get it to them
19 for some reason, it's made to this East Bay Community Law
20 Center.

21 How much of the 1.65 million do you anticipate that
22 to be?

23 MR. SWARTZ: Almost nothing in this case. This is
24 a particularly good settlement in that regard because people
25 have two ways to get money. First, they can elect an

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1 electronic payment. So if they do that, the money just
2 automatically gets deposited and so that will -- I think that
3 will account for a good portion of the amount and then
4 everybody else gets a check as opposed to, like, having to
5 sign a claim form and send it back and wait and have all of
6 that friction. So I would -- I don't know how much, but I
7 would say, you know, I'd hope for 85, 90 percent.

8 THE COURT: When you say 85, 90 percent of the
9 whole settlement is attributable to the QSF or to the
10 punitive class members?

11 MR. SWARTZ: What I'm saying --

12 THE COURT: You have (b), you have a separate
13 portion of people, right?

14 MR. SWARTZ: Right.

15 THE COURT: But with that separate portion of
16 people on (b), if they don't cash the checks, it goes back to
17 the defendant.

18 MR. SWARTZ: That's right. That's the FSLA
19 portion. Those are the opt-in people, so that the defendants
20 don't get a release for those people unless they cash their
21 checks. For the class action people, the defendants are
22 getting the releases, so they have to pay for that, whether
23 it's by redistribution or people collecting their checks.

24 THE COURT: So if you're a punitive class member
25 and you don't cash the check, that money goes back to the

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1 defendant, but there's no release for those people.

2 MR. SWARTZ: Let me just slightly correct that. If
3 you are a punitive class member, a class action opt out --

4 THE COURT: A punitive collective member.

5 MR. SWARTZ: Right, a punitive collective member,
6 that's correct. So, if you don't cash your check, you
7 release nothing, you can still bring your claims if you
8 choose to and the money goes back to the defendant.

9 THE COURT: Right. So there's no release and so
10 the defendant gets that money back.

11 MR. SWARTZ: Correct.

12 THE COURT: What percentage of the 1.65 million
13 dollars do you anticipate, based on your experience, is going
14 to be money that goes back to the defendant?

15 MR. SWARTZ: Well, very little.

16 THE COURT: Because -- and I'm asking because
17 you're asking for your fee --

18 MR. SWARTZ: Right.

19 THE COURT: -- on the basis of money that they're
20 not going to be paying out.

21 MR. SWARTZ: Well, your Honor, we're asking for our
22 fee based on the money that we're making available to the
23 class.

24 THE COURT: I understand, but they're not -- you're
25 also asking for your money, not on the money you're making --

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1 you're asking for it certainly on the money that you're
2 making available, but everybody knows that there is no way
3 that everybody is going to participate.

4 MR. SWARTZ: That's right.

5 THE COURT: And everybody knows that there is no
6 way that this defendant is going to end up paying
7 1.65 million dollars on this case.

8 MR. SWARTZ: Right. In this case -- there are some
9 other cases where I would say a lower number, but in this
10 case because of the procedure we have here, because everybody
11 gets the chance to take an electronic payment or get a check
12 as opposed to filling out a claim form and doing -- taking
13 some further steps, I expect that the take rate would be 85,
14 90, maybe even higher. That's what we hope, 85 percent,
15 90 percent, maybe even higher. It's so easy to collect.
16 It's so easy to collect funds here.

17 My partner, Melissa Stewart, negotiated this
18 settlement. She's not here.

19 THE COURT: I see it's different than what I've
20 seen before.

21 MR. SWARTZ: Yeah.

22 THE COURT: So with respect to the work that's been
23 done on the case, and we'll go through this again at the
24 fairness hearing, you have filed a complaint. I saw that
25 there was an answer. Was this settlement reached before you

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1 filed the complaint?

2 MR. SWARTZ: Yes.

3 THE COURT: And it was reached as a result of
4 certain amount of time spent mediating the case?

5 MR. SWARTZ: Well, preparing -- first of all,
6 investigating, talking to clients and interviewing them,
7 preparing for mediation, yes, mediating the case, and then a
8 substantial amount of time went into negotiating this 30-page
9 or so settlement agreement, negotiating the terms of the
10 notice, all of the things that have been presented to you, of
11 course, preparing papers for the hearing, being here.

12 THE COURT: Now, your notice to these punitive
13 plaintiffs reflects that you're going to be seeking up to, I
14 think it was \$550,000 in legal fees.

15 MR. SWARTZ: Right, one-third, yes.

16 THE COURT: And it says what the settlement -- I
17 don't remember what the phrase you used -- settlement amount?
18 Settlement fund.

19 MR. SWARTZ: Right.

20 THE COURT: But it doesn't reflect that the
21 settlement fund is not necessarily the amount that the
22 defense is paying. So, you as a -- I, as a punitive
23 plaintiff, could think it's 1.65 million dollars. I could
24 think I'm doing the math and \$550,000 is 33 percent of what
25 they're paying, but they're not paying that.

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1 Now, I understand that you can't figure out what
2 they are yet, but you could put something in there that
3 reflects that this is not necessarily the amount -- that this
4 is not necessarily the amount that they're going to be paying
5 and that this -- that this amount will likely be less than
6 they're paying, because that we know. Even if it's
7 85 percent or 90 percent, we know it's likely less than the
8 defense is going to be paying in this case.

9 MR. SWARTZ: I understand. We can craft some
10 language like that. It makes sense.

11 THE COURT: Also, when you submit your request for
12 final approval, along with your request I want a -- I want to
13 be able to do a lodestar analysis. So in that regard, I
14 would want to know what your -- the particular attorneys and
15 paralegals that spent time on the case, what they did, what
16 your billable rates are and how that billable rate is
17 reasonable in view of the prevailing rate given in the work
18 that you do and the jurisdiction, and I would want you to
19 recognize federal case law that has set reasonable rates on
20 cases like this, so that I can determine whether I'm going to
21 do it based on -- what formula I'm going to use.

22 There was one other thing. There might have been
23 more than one.

24 8.10, tax characterization. So you're telling --
25 you're telling the people that are getting this money in what

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1 manner it's going to be given to them, so that they can give
2 it to an accountant and decide how much income tax they are
3 supposed to pay and also, it affects the defense in how they
4 categorize it with respect to their tax obligations; is that
5 right?

6 MR. SWARTZ: Yeah, and then with respect to what
7 forms they provide with the payments, yes.

8 THE COURT: And if I agree to this settlement, I'm
9 saying that this is how the IRS should deem these payments
10 and that's a concern I have.

11 MR. SWARTZ: Yeah, I understand. I don't think
12 we're asking you to say that, but I understand the point. It
13 could be -- we could clarify in the notice that the Court is
14 not endorsing or taking a position or whatever the language
15 we would want to use is on the tax treatment. That's
16 something that ultimately is determined by the IRS, of
17 course.

18 THE COURT: And you could put that in your
19 settlement agreement, too, right?

20 MR. SWARTZ: Sure. The IRS does, just as a matter
21 of practicality, does usually defer to a reasonable
22 allocation in a settlement agreement and this is -- I'm not
23 asking you to endorse it. I'm just giving you a little bit
24 of context. They usually would not question a taxpayer based
25 on an -- if it was 1 percent to 99 percent, they might

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1 question that, but these are all within a reasonable range,
2 but I take the point. There's no reason not to include that.

3 THE COURT: Yeah. I believe you when you tell me,
4 you have great credibility with this Court. Nevertheless, I
5 am not going to endorse any tax breakdown that the two sides
6 agree to.

7 MR. SWARTZ: Yeah, fair enough.

8 THE COURT: So you're going to -- all right.

9 Now, the other thing is -- okay. Page 14,
10 paragraph 8.3 (b) and paragraph 8.4 (b), the substance of
11 plaintiff's -- well, we'll look at 8.3 (b). The substance of
12 plaintiff's counsel's application for attorneys' fees and
13 costs is to be considered separately from the Court's
14 consideration of the fairness, reasonableness, adequacy and
15 good faith of the agreement, and then you have the same thing
16 with service award.

17 I'm not considering it separately. I'm considering
18 the whole thing as to whether it's fair. So I'm not going to
19 preliminarily approve a settlement -- I don't want to
20 preliminarily approve a settlement that says I'm not going to
21 consider something that I am. Do you know what I mean?

22 MR. SWARTZ: Yeah, I understand what you're saying.
23 The intent of that and the reason we include that language in
24 our settlement agreements is because it's really to protect
25 the class. We don't want the -- what we're saying is that

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1 this settlement can be approved even if our fees are cut.

2 This settlement can be approved even if the Court decides not
3 to award the service awards.

4 THE COURT: So why don't you say that?

5 MR. SWARTZ: Sure. That's easy.

6 THE COURT: And do that with 8.3 (b) and 8.4 (b).

7 MR. SWARTZ: Yes.

8 THE COURT: So, now, would you be able to resubmit
9 along with a copy of this transcript a revised -- well, the
10 notices are okay, but a revised settlement agreement with a
11 revised proposed order, but include a copy of the, um,
12 include a copy of this transcript, so that I can confirm that
13 everything we spoke about is addressed.

14 MR. SWARTZ: Sure.

15 THE COURT: Would that be doable?

16 MR. SWARTZ: Absolutely.

17 THE COURT: Okay.

18 MR. SWARTZ: Can we have a deadline to do that,
19 please?

20 THE COURT: Sure. Today is February 19th. How is
21 March 19th?

22 MR. SWARTZ: That's fine. We could do it quicker
23 than that.

24 THE COURT: Whenever you want to do it.

25 MR. SWARTZ: Okay.

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1 THE COURT: All right? Just forward it and then if
2 you could, along -- when you do file it, send a joint letter
3 to my remote e-mail reflecting that that's what you have
4 done, so that we can flag it.

5 MR. SWARTZ: And I'm sorry, we can get the remote
6 e-mail from your chambers?

7 THE COURT: Yes.

8 COURT CLERK: Judgericiglianoremove@nycourts.gov.

9 MR. SWARTZ: Thanks.

10 THE COURT: All right. Good to see you again.
11 Do you have anything you want to say, defense?

12 MS. SAADATI-SOTO: No, your Honor.

13 THE COURT: Okay.

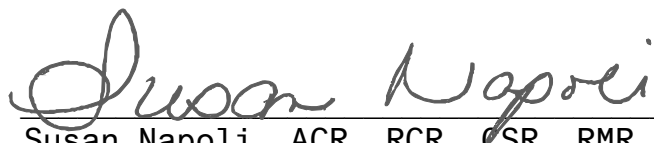
14 MR. SWARTZ: Thank you, your Honor.

15 THE COURT: Have a good day.

16 MR. SWARTZ: Have a good day.

17 *****

18 CERTIFIED THAT THE FOREGOING IS A TRUE AND ACCURATE TRANSCRIPT OF
19 THE ORIGINAL STENOGRAPHIC MINUTES IN THIS CASE.

20 
21 Susan Napoli, ACR, RCR, CSR, RMR, CRR
22 Senior Court Reporter

23 ORIGINAL
24
25