

ELECTRONICALLY FILED
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County of Tulare
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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF TULARE

PSALMS MARTINEZ, NATALY LOPEZ
VARGAS, and JUAN ROMERO, on behalf of
themselves individual and on behalf of all
persons similarly situated, and the State of
California and other aggrieved persons,

Plaintiff,

v.

SAPUTO DAIRY FOODS USA, LLC, a limited
liability corporation; and DOES 1 through 10,
inclusive,

Defendant.

Case No.: VCU294960

*[Assigned for all purposes to Hon. Gary
Johnson, Dept. 7]*

**DECLARATION OF BENJAMIN H.
HABER IN SUPPORT OF PLAINTIFFS'
MOTION FINAL APPROVAL OF CLASS
ACTION SETTLEMENT**

FINAL APPROVAL HEARING

Date: February 10, 2025
Time: 8:30 a.m.
Dept.: 7

Complaint filed: January 6, 2023
FAC filed: January 26, 2024
Trial Date: Not Set

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Attorneys for Plaintiff JUAN ROMERO

1. I am admitted, in good standing, to practice as an attorney in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiff Psalms Martinez. I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiffs Psalms Martinez (“Plaintiff Martinez”), Nataly Lopez Vargas (“Plaintiff Vargas”), and Juan Romero’s (“Plaintiff Romero”) (collectively, “Plaintiffs”) Motion for Final Approval of Class Action Settlement.

CASE BACKGROUND

3. Plaintiffs allege that Defendant's payroll, timekeeping, and wage and hour practices resulted in numerous Labor Code violations. Specifically, Plaintiffs allege that Defendant failed to, inter alia, pay for all hours worked, provide employees with legally compliant meal and rest periods, indemnify employees for all necessary business expenses, and provide timely wages. Based on these allegations, Plaintiffs assert claims against Defendant for failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods, failure to authorize and permit rest periods, failure to indemnify for necessary business expenses, failure to timely pay all final wages at termination, failure to provide accurate itemized wage statements, failure to maintain required payroll records, failure to provide suitable seating, failure to provide sick wages, unfair business practices, and civil penalties under PAGA.

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Martinez Class Action

4. On October 31, 2022, Martinez filed a putative class action asserting wage and hour claims against Defendant in Tulare County Superior Court titled Martinez v. Saputo Dairy Foods USA, LLC, Case No. VCU293982. On behalf of herself and all of Defendant’s hourly-paid, non-exempt employees in California, Martinez alleged (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; and (8) violation of California’s Unfair Competition Law, California Business and Professions Code §§17200, et seq. On December 19, 2022, Defendant removed that action to the United States District Court for the Eastern District of California, where it remains pending, Case No. 1:22-cv-01624-DJC-JDP (“Martinez Class Action”).

Martinez PAGA Action

5. On October 31, 2022, Martinez sent a notice to Defendant and the California Labor & Workforce Development Agency (“LWDA”) alleging similar wage and hour violations pursuant to the PAGA. On January 6, 2023, Martinez filed a separate Complaint against Defendant pursuant to the Private Attorneys General Act (“PAGA”), Labor Code § 2699, et seq., and based on underlying Labor Code violations. On January 6, 2023, Martinez filed the above captioned PAGA-only action, Tulare County Superior Court Case No. VCU294960.

Vargas Class and PAGA Action

6. On September 15, 2022, Plaintiff Vargas sent a notice to Defendant and the California Labor & Workforce Development Agency (“LWDA”) alleging wage and hour violations pursuant to the PAGA. On November 21, 2022, Vargas filed a putative class action and representative action pursuant to PAGA against Defendant in Stanislaus County Superior Court titled Vargas v. Saputo Dairy Foods USA, LLC, Case No. CV-22-005385. On December 28, 2022, Defendant removed the action to the United States District Court for the Eastern District of California, where it remains pending, Case No. 1:22-cv-01645-DJC-JDP (“Vargas Action”).

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Romero Class Action

7. On February 2, 2023, Plaintiff Romero filed a putative class action asserting wage and hour claims against Saputo in Merced County Superior Court, Case No. 23CV-00403. On March 22, 2023, Saputo removed that action to the United States District Court for the Eastern District of California, where it remains pending, Case No. 1:22-cv-00427-DJCJDP (“Romero Class Action”).

Notice of Related Cases

8. On March 24, 2023, Saputo filed a Notice of Related Cases to alert this Court that the Martinez Class Action, Vargas Action, and Romero Class Action are all related to this Action within the meaning of California Rule of Court Rule 3.300, because they all allege class and/or PAGA claims against Saputo on behalf of the same group of individuals based on the same or similar alleged violations.

Romero PAGA Action

9. On June 1, 2023, Romero filed a PAGA-only representative action in Tulare County Superior Court, Case No. VCU298775 (“Romero PAGA Action”). The Romero PAGA action asserts the same alleged predicate violations of the Labor Code as the Romero Class Action.

Stay of Martinez PAGA Action; Mediation; Stipulation to Consolidated Amended

Complaint

10. On May 15, 2023, the Court granted Saputo’s motion to stay the Martinez PAGA action based on the substantial overlap of this case with the Martinez Class Action and Vargas Action. The Martinez Class Action, Vargas Action, Romero Class Action, and Romero PAGA Action are collectively referred to herein as the “Related Actions.” On September 19, 2023, the Parties participated in private mediation of this and the Related Actions. At the private mediation, the Parties agreed to a global settlement resolving this action and the Related Actions (the “Settlement”). Given the significant overlap in the claims asserted in the Related Actions, for the sake of judicial economy, and pursuant to the terms of the Parties’ Memorandum of Understanding reached after the mediation, the Parties stipulated to an order granting leave to allow Martinez to file an Amended Consolidated Complaint in this action to add Vargas and Romero as parties and

1 to add class and PAGA claims that mirror those alleged in the Related Actions and PAGA notices
2 submitted by the Plaintiffs to the LWDA.

3 DISCOVERY, INVESTIGATION, AND SETTLEMENT

4 11. Prior to the mediation, the Parties exchanged documents and information.
5 Defendant produced complete time and pay records for class members. Defendant also provided
6 documents of its wage and hour policies and practices during the class period, and information
7 regarding the total number of current and former employees in its informal discovery responses.

8 12. After reviewing documents regarding Defendants' wage and hour policies and
9 practices, analyzing Defendant's timekeeping and payroll records, and interviewing Class
10 Members, Class Counsel was able to evaluate the probability of class certification, success on the
11 merits, and Defendant's maximum monetary exposure for all claims. Class Counsel also
12 investigated the applicable law regarding the claims and defenses asserted in the litigation. Class
13 Counsel reviewed these records and prepared a damage analysis prior to mediation. This extensive
14 investigation and discovery allowed Class Counsel to act intelligently and effectively in
15 negotiating the Settlement.

16 13. On September 19, 2023, the Parties participated in private mediation with
17 experienced class action mediator David A Rotman, Esq. The mediation was conducted via Zoom.
18 The settlement negotiations were at arm's length and, although conducted in a professional manner,
19 were adversarial. The Parties went into the mediation willing to explore the potential for a
20 settlement of the dispute, but each side was also prepared to litigate their position through trial and
21 appeal if a settlement had not been reached. After extensive negotiations and discussions regarding
22 the strengths and weaknesses of Plaintiffs' claims and Defendant's defenses, the Parties reached a
23 settlement, the material terms of which are encompassed within each Settlement Agreement.
24 Attached as Exhibit 1 is a true and correct copy of the Class Action and Private Attorneys General
25 Act Settlement and Release Agreement ["the "Settlement Agreement"].

26 14. Class Counsel has conducted a thorough investigation into the facts of this case.
27 Based on the foregoing discovery and their own independent investigation and evaluation, Class
28 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.

15. The Court granted Plaintiffs' Motion for Preliminary Approval of the Settlement on August 14, 2024. The deadline for class members to opt out or object to the Settlement was November 12, 2024. The reaction of the Class to the settlement has been overwhelmingly positive. Indeed, as of the filing of this Motion, only one Class Member (Sergio Reynoso) has opted out of the settlement, and no Class Members have objected to the settlement.

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

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

ENHANCEMENT AWARDS FOR PLAINTIFFS ARE REASONABLE

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

19. Throughout this litigation, Plaintiffs have cooperated immensely with my office and has taken many actions to protect the interests of the class. Plaintiffs provided valuable information regarding unpaid overtime, meal period, and rest period claims. Plaintiffs also informed my office of developments and information relevant to this action, participated in decisions concerning this action, made themselves available to answer questions during the mediation, and provided my

1 office with the names and contact information of potential witnesses in this action. Before we filed
2 this case, Plaintiff Martinez provided my office with several documents, including policy
3 documents, and communications from Defendant regarding the claims alleged in this action. The
4 information and documentation provided by Plaintiff Martinez and the other Plaintiffs was
5 instrumental in establishing the wage and hour violations alleged in this action, and the recovery
6 provided for in the Settlement Agreement would have been impossible to obtain without Plaintiffs'
7 participation.

8 20. At the same time, Plaintiffs faced many risks in adding themselves as the class
9 representatives in this matter. Plaintiffs faced actual risks with their future employment, as putting
10 themselves on public record in an employment lawsuit could also very well affect their likelihood
11 for future employment. Furthermore, as part of this settlement, Plaintiffs have executed a general
12 release of all claims against Defendant.

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

19 22. In the final analysis, this class action would not have been possible without the aid
20 of Plaintiffs, who put their own time and effort into this litigation, and placed themselves at risk
21 for the sake of the class members. The requested enhancement awards for Plaintiffs is a relatively
22 small amount of money when the time and effort put into the litigation are considered and in
23 comparison to enhancements granted in other class actions. The requested incentive award is
24 therefore reasonable. Indeed, in *Karl Adams, III, et al. v. MarketStar Corporation*, et al., No. 2:14-
25 cv-02509-TLN-DB, a wage and hour class action alleging that class members were misclassified
26 as exempt outside salespersons, former Wilshire Law Firm partner Justin Marquez was co-lead
27 Class Counsel and helped negotiate a \$2.5 million class action settlement for 339 class members,
28 and the court approved a \$25,000.00 class representative incentive award for each named plaintiff.

THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

23. The settlement provides for attorney's fees and costs to Class Counsel in an amount up to 33 and 1/3% of the Gross Settlement Amount, for a maximum fees award of \$666,667.00, plus reasonable litigation expenses of up to \$60,000.00.

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

Person	Role	Hours	Rate	Lodestar
Justin Marquez	Senior Partner (former)	51	\$1,500	\$76,500
Benjamin Haber	Partner	98	\$850	\$83,300
Daniel J. Kramer	Senior Attorney	101	\$775	\$78,275
Chase Stern	Associate Attorney	8	\$750	\$6,000
Min Jee Kim	Paralegal	28	\$175	\$4,900
Rebecca Padilla ¹	Paralegal	32	\$175	\$5,600
Total:		318		\$254,575

25. My firm has spent over 318 hours, for a lodestar of \$254,575 litigating this Action to bring it to resolution, not including time which will be expended monitoring the administration of the settlement and distribution of funds to the Class Members. The efforts expended by Plaintiffs' counsel to achieve this result include, but are not limited to, the following:

- a. the investigation of the matter, including meeting with Plaintiffs, reviewing Defendant's policies, and requesting and reviewing Plaintiffs' time and pay records, personnel files, and exploring the corporate structure of Defendant;
- b. filing the Action;
- c. attending status conferences and meeting and conferring with Defendant regarding the case;
- d. opposing Defendant's Motion to Dismiss or Stay this action;

¹ Ms. Padilla's hours and rate of pay were not previously included with the initial motion for preliminary approval. Mr. Stern joined the firm around the time of the preliminary approval hearing and spent time on the final approval papers.

- e. meeting and conferring with Defendant regarding mediation, exchange of informal discovery beforehand, and negotiating with opposing counsel regarding the parameters thereof;
- f. meeting and conferring with all co-counsel regarding mediation and the parameters of mediation and any fee splits;
- g. selecting a mediator and mediation date;
- h. working with opposing counsel and an expert consultant for the receipt of a representative sampling and analyzing the same with the aid of expert consultant and Plaintiffs to perform analyses of liability and exposure prior to attendance of the mediation in this matter;
- i. reviewing policy documents from Defendant and researching applicable defenses;
- j. preparation of a mediation brief and damages model for use at mediation;
- k. attendance at mediation by all Parties and Counsel;
- l. communicating with Plaintiff who requested updates or other information regarding this matter;
- m. engaging in settlement negotiations, followed by finalizing and fully executing the settlement agreement;
- n. preparing and assisting in drafting the consolidated amended complaint and accompanying stipulation in this action;
- o. meeting and conferring with all Parties regarding the preparation of the Motion for Preliminary Approval;
- p. preparing and assisting in the drafting of the Motion for Preliminary Approval and supporting documents;
- q. preparing and assisting in the drafting of the supplemental papers in support of the Motion for Preliminary Approval, and appearing at the hearing;
- r. communicating with the Settlement Administrator to ensure the Class Notice was properly distributed and engaging in extensive follow-up communications with the Settlement Administrator regarding class members who sought additional

1 information about the Settlement;

2 s. communicating with co-counsel regarding the preparation of the instant Motion for
3 Final Approval; and

4 t. preparing the instant Motion for Final Approval and supporting documents.

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

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

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

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

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

24 31. Because most individuals cannot afford to pay for representation in litigation on an
25 hourly basis, Wilshire Law Firm, PLC represents virtually all of its employment law clients on a
26 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
27 we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm, PLC is
28 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.

32. As of the drafting of this motion, my office has incurred around \$25,284.46 in expenses litigating this action, and we anticipate accruing additional costs up to Final Approval of the Settlement. These expenses were reasonably necessary to the litigation and were actually incurred by my office. We also anticipate additional costs in the amount of \$300.00, which includes the costs for filing Plaintiffs' Motion for Final Approval, the future distribution compliance report, and appearing at the hearings. Accordingly, Class Counsel respectfully requests that the costs for Wilshire Law Firm (i.e., \$25,384.46) should be reimbursed in full. Attached as Exhibit 2 is a list of the costs and the categories of costs for the costs incurred in this case to date by Wilshire Law Firm, PLC.

PLAINTIFFS' COUNSEL'S EXPERIENCE AND QUALIFICATIONS

33. 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 100 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.

34. 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 numerous class actions involving consumer rights and data privacy litigation.

35. I graduated from the University of California, Los Angeles, with a Bachelor of Arts in Political Science, and received my Juris Doctor from the University of California, Hastings College of the Law in 2016. During law school, I was a member of the executive board for the *Hastings Law Journal*; a student mediator at the San Francisco Superior Court, Small Claims

1 Division; and a managing editor for *SCOCAblog*, which continues to be a leader in providing
2 substantive coverage on the California Supreme Court and relevant cases before the court. Since
3 graduating from law school, I have focused my legal work primarily on wage-and-hour litigation
4 and have helped obtain dozens of settlements on behalf of tens of thousands of workers in
5 California. I was also selected as a “Southern California Rising Star” in 2024 and 2025.

6 36. In 2020, I joined Wilshire Law Firm as an associate attorney and was tasked with
7 managing litigation teams beginning in 2021. I have since been appointed as class counsel in
8 numerous wage-and-hour cases throughout California. Below is a non-exhaustive list of cases
9 where I was appointed as class counsel:

- 10 a. *Colter v. Propulsion Controls Engineering*, San Diego County, Case No. 37-
11 2020-00030682-CU-OE-CTL; Motion for Final Approval granted on October
12 28, 2022.
- 13 b. *Rodriguez v. Modesto Restaurant Group, LLC*, Stanislaus County, Case No. CV-
14 21-000269; Motion for Final Approval granted on January 10, 2023.
- 15 c. *Kingsbury v. Caravan Foods II, Inc.*, Alameda County, Case No. RG21096357;
16 Motion for Final Approval granted on January 31, 2023.
- 17 d. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No.
18 MSC20-01916; Motion for Final Approval granted on March 3, 2023.
- 19 e. *Varez v. Valley Connection, LLC dba Carl’s Jr.*, Merced County, Case No.
20 22CV-00985; Motion for Final Approval granted on April 27, 2023.
- 21 f. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987;
22 Motion for Final Approval granted on May 3, 2023.
- 23 g. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-
24 2021-00293739-CU-OE-GDS; Motion for Final Approval granted on May 30,
25 2023.
- 26 h. *Garduno v. New Generation Framing, Inc., et al.*, Stanislaus County, Case No.
27 CV-21-000544; Motion for Final Approval granted on August 11, 2023.
- 28 i. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No.

- 21CECG03817; Motion for Final Approval granted on August 21, 2023.
- j. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No. CIVSB2118622; Motion for Final Approval granted on September 13, 2023.
- k. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261; Motion for Final Approval granted on October 17, 2023.
- l. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion for Final Approval granted on November 2, 2023.
- m. *Gutierrez v. Next Level Door & Millwork, Inc.*, Riverside County, Case No. CVRI2105455; Motion for Final Approval granted on January 11, 2024.
- n. *Lupercio v. Western CNC, Inc.*, San Diego County, Case No. 37-2021-00010314-CU-OE-CTL; Motion for Final Approval granted on January 26, 2024.
- o. *Jackson, et al. v. Apple Valley Communications, Inc., et al.*, San Bernardino County, Case No. CIVSB2124721; Motion for Final Approval granted on February 1, 2024.
- p. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520; Motion for Final Approval granted on February 22, 2024.
- q. *Canton, et al v. John B. Sanfilippo & Sons, Inc.*, Merced County, Case No. 22-CV-01145; Motion for Final Approval granted on March 15, 2024.
- r. *Williams v. Total Longterm Care, Inc., et al.*, San Bernardino County, Case No. CIVSB2213347; Motion for Final Approval granted on April 2, 2024.
- s. *Espinoza v. Delallo's Italian Foods, Inc.*, Butte County, Case No. 21CV02640; Motion for Final Approval granted on April 24, 2024.
- t. *Hernandez v. Facey Medical Foundation*, Los Angeles County, Case No. 20STCV41624; Motion for Final Approval granted on April 29, 2024.
- u. *Hayes, et al. v. Gonzales Park, LLC, et al.*, Butte County, Case No. 21CV02456; Motion for Final Approval granted on May 1, 2024.
- v. *Meza v. Argus Management Company, LLC, et al.*, Los Angeles County, Case

- No. 21STCV31612; Motion for Final Approval granted on May 20, 2024.
- w. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951; Motion for Final Approval granted on July 11, 2024.
- x. *Abarca-Rueda, et al. v. Foley Family Wines, Inc., et al.*, Sonoma County, Case No. S-CV-268148; Motion for Final Approval granted on August 21, 2024.
- y. *Aguilar v. American Pasteurization Company, Inc., et al.*, Sacramento County, Case No. 34-2021-00312027-CU-OE-GDS; Motion for Final Approval granted on September 3, 2024.
- z. *Barajas Maya v. United Facilities Group, Inc., et al.*, Santa Clara County, Case No. 22CV397353; Motion for Final Approval granted on November 22, 2024.
- aa. *Arias v. The Shyft Group GTB, LLC, et al.*, Los Angeles County, Case No. 22STCV37390; Motion for Final Approval granted on December 3, 2024.
- bb. *Hernandez v. KW California, et al.*, Kern County, Case No. BCV-23-100346; Motion for Final Approval Granted on December 4, 2024.

37. My firm's hourly rates have been approved in courts throughout California. The reasonableness of my firm's hourly rates is also supported by several surveys of legal rates, including the following:

- a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the real market rates of Los Angeles area attorneys who practice litigation. For that category, the third quartile 2022 rate was \$1,045 per hour for partners and \$855 for associates. Likewise, page 32 of the Report describes the rates charged by 183 Los Angeles partners with "21 or more years of experience" and "Fewer than 21 years." For those categories, the third quartile Los Angeles partner rate in 2022 were \$1,133 per hour for 21 or more years and \$1,075 for attorneys with fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate Report is attached hereto as **Exhibit 3**.
- b. In an article entitled "Big Law Rates Topping \$2,000 Leave Value 'In Eye of Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9,

2022, the author describes how Big Law firms have crossed the \$2,000-per hour rate. The article also notes that law firm rates have been increasing by just under 3% per year. A true and correct copy of this article is attached hereto as Exhibit 4.

38. Daniel J. Kramer is Senior Attorney at Wilshire Law Firm, PLC with eight of litigation experience, which predominantly includes wage-and-hour litigation. He is admitted to practice law in the State of California and the Central, Eastern, and Northern Districts of California. He graduated from Stanford University with a Bachelor of Arts in History and Political Science, and received his Juris Doctor from Loyola Law School, Los Angeles in 2016. During law school, he was a research editor for the *Loyola of Los Angeles International and Comparative Law Review*. Before joining Wilshire Law Firm, he practiced briefly at a firm that focused on municipal law and code enforcement and then moved to a respected plaintiff-side firm to practice wage and hour class action litigation. He has several years of work experience litigating wage and hour class actions in multiple venues throughout California.

39. Chase Stern is an Associate Attorney at Wilshire Law Firm. He has more than a decade of complex litigation experience, which has been largely dedicated to representing individual and corporate entity plaintiffs in complex class action and commercial litigation in state and federal courts throughout the country. He is admitted to practice law before all courts in the State of California, the United States District Courts for the Northern, Southern, and Central Districts of California, and the United States Court of Appeals for the Ninth Circuit. Over the course of his career, he has been appointed as class counsel in numerous class action matters throughout California, including wage-and-hour cases. He holds a B.S. in Finance and Entrepreneurship & Emerging Enterprises from Syracuse University and a J.D. from California Western School of Law, graduating from both institutions with honors.

40. Justin F. Marquez is a former Senior Partner at Wilshire Law Firm who was actively involved in the litigation and resolution of this matter from its inception through December 2024. He graduated from University of California, Los Angeles's College Honors Program in 2004 with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi Beta Kappa*. His practice focused primarily on advocating for the rights of consumers and employees in class action

litigation and appellate litigation. He received numerous awards for his legal work: from 2017 to 2020, Super Lawyers selected him as a “Southern California Rising Star,” and from 2022 to 2025, he was selected as a “Southern California Super Lawyer”; he was selected as one of the “Best Lawyers in America” from 2023 to 2025; and in 2024, he, along with his colleagues at Wilshire Law Firm, received a CLAY (California Lawyer Attorneys of the Year) award for their work on a false advertising case against Apple which ultimately led to a \$25 million settlement. He also was selected to speak at multiple CELA conferences throughout his career – in 2019, he spoke on the topic of manageability of class actions at CELA’s 2019 Advanced Wage & Hour Seminar, and in 2024, he spoke on the topic of dealings with multiple cases against the same defendant at CELA’s 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead in negotiating class action settlements worth over \$10 million in gross recovery to class members for each year since 2020, including over \$37.5 million in 2022 and over \$75 million in 2023. He previously provided a declaration in support of Plaintiffs’ Motion for Preliminary Approval that further describes his background and adequacy.

41. Rebecca Padilla is a Paralegal at Wilshire Law Firm with seven years of experience working at law firms, including over three years of experience working on class action cases. She is a graduate of the California State University, Northridge with a Bachelor of Science degree in Business Administration – Business Law. Her current contingent billing rate for this case is \$175 per hour.

42. Min Jee Kim is a former Paralegal at Wilshire Law Firm with at least eleven years of experience working at law firms, including over five years of experience working on class action cases. She is a graduate of the University of California, San Diego with a Bachelor’s of Arts degree in Economics. Her billing rate for this case was \$175 per hour.

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

Executed on January 16, 2025, in Los Angeles, California.

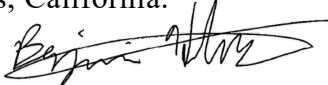

Benjamin H. Haber

Exhibit 1

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND RELEASE AGREEMENT

This Class Action and Private Attorneys General Act Settlement and Release Agreement (“**Agreement**,” “**Settlement Agreement**” or “**Settlement**”) is entered into by plaintiffs Psalms Martinez, Nataly Lopez Vargas, and Juan Romero (collectively, “**Plaintiffs**”), on behalf of themselves, similarly situated non-exempt employees, the State of California Labor and Workforce Development Agency (“**LWDA**”), and those they seek to represent, on the one hand, and, on the other hand, Saputo Dairy Foods USA, LLC (“**Saputo**,” “**SDF**” or “**Defendant**”). For purposes of this Agreement, Plaintiffs and Saputo are collectively referred to as the “**Parties**.”

By way of this Agreement, the Parties seek to settle the following five pending actions: *Psalms Martinez v. Saputo Dairy Foods USA, LLC*, U.S.D.C. E.D. Cal. Case No. 1:22-cv-1624-DJC-JDP (“**Martinez Class Action**”); *Psalms Martinez v. Saputo Dairy Foods USA, LLC*, Tulare County Superior Court Case No. VCU294960 (“**Martinez PAGA Action**”); *Nataly Lopez Vargas v. Saputo Dairy Foods USA, LLC*, U.S.D.C. E.D. Cal. Case No. 1:22-cv-1645- DJC-JDP (“**Vargas Class/PAGA Action**”); *Juan Romero v. Saputo Dairy Foods USA, LLC*, U.S.D.C. E.D. Cal. Case No. 1:23-cv-00427-DJC-JDP (“**Romero Class Action**”); and *Juan Romero v. Saputo Dairy Foods USA, LLC*, Tulare County Superior Court Case No. VCU298775 (“**Romero PAGA Action**”). The *Martinez Class Action*, *Martinez PAGA Action*, *Vargas Class/PAGA Action*, *Romero Class Action* and *Romero PAGA Action* are collectively referred to as the “**Actions**.” The Parties expressly acknowledge that this Agreement is entered into solely for the purpose of compromising disputed legal and factual issues and that nothing in this Settlement Agreement is an admission of liability or wrongdoing by Defendant.

RECITALS

1. The Parties will work together to either coordinate or consolidate the Actions, or take other mutually agreed-upon action to bring all of the claims being resolved by this Agreement before one court to consider, and then preliminarily and finally approve of this Agreement. In the interest of efficiency, the Parties intend and agree to seek court approval of the Settlement of the Actions before one court and agree to take all necessary steps to add all Plaintiffs and their respective class and PAGA claims to the *Martinez PAGA Action* pending in Tulare Superior Court. To that end, the Parties have filed joint stipulations in the *Martinez Class Action*, *Vargas Class/PAGA Action*, *Romero Class Action*, and the *Romero PAGA Action* requesting that the court in those cases stay all proceedings in those actions pending the resolution of the final settlement approval hearing in the *Martinez PAGA Action*. On November 20, 2023, the Court in the *Martinez Class Action*, *Vargas Class/PAGA Action*, and *Romero Class Action* entered an Order in each of those cases on the Parties’ stipulations pursuant to which those cases are stayed pending final approval of this Agreement through the *Martinez PAGA Action*. On or about November 20, 2023, the Court in the *Romero PAGA Action* entered an Order pursuant to the Parties’ stipulation to stay that case pending final approval of this Agreement.

2. On January 23, 2024, the Parties filed a stipulation and proposed order for leave to file an amended consolidated complaint in the *Martinez PAGA Action* for the purpose of adding Vargas and Romero as class and PAGA representatives and adding class claims and PAGA claims that encompass the class and PAGA claims alleged in the *Martinez Class Action*, *Vargas Class/PAGA*

Action, *Romero* Class and PAGA Actions, and the notices submitted by Plaintiffs to the LWDA. The Parties agree that in the event the Court does not grant either preliminary or final approval of the class/PAGA action settlement in the consolidated *Martinez/Vargas/Romero* Class/PAGA Action, the Parties return to status quo as existed prior to the date the Parties signed the Memorandum of Understanding, the operative complaint in each lawsuit shall be the initial complaints filed in each lawsuit, and no documents prepared or submitted to the Court relating to this Agreement shall have any impact on or be used for any purpose in the Actions or any other litigation.

The *Martinez* Class and PAGA Actions

3. On October 31, 2022, Plaintiff Psalms Martinez (“Martinez”) filed a putative class action lawsuit entitled *Martinez v. Saputo Dairy Foods USA, LLC* in the Tulare County Superior Court, Case No. VCU293982, which Defendant subsequently removed to the United States District Court for the Eastern District of California on December 19, 2022, where it remains pending at Case No. 1:22-cv-1624-DJC-JDP. Martinez asserts class claims for alleged (1) unpaid minimum and straight time wages; (2) unpaid overtime wages, (3) meal period violations; (4) rest period violations; (5) failure to timely pay all wages at termination; (6) wage statement violations; (7) unreimbursed business expenses; and (8) unfair business practices. In her class complaint, Martinez seeks to represent a class consisting of all current and former hourly paid or nonexempt employees of Defendant within the state of California.

4. On January 6, 2023, Martinez filed a PAGA-only action entitled *Psalms Martinez v. Saputo Dairy Foods USA, LLC*, Case No. VCU294960 where it is pending before Judge John P. Bianco. Martinez’s PAGA action is based on the same alleged facts and predicate Labor Code violations underlying the claims in her class action lawsuit, as well as alleged violations of Labor Code § 204 (failure to timely pay wages during employment), and §§ 1174, 1174.5 (failure to maintain records).

The *Vargas* Class/PAGA Action

5. On November 21, 2022, Plaintiff Nataly Lopez Vargas (“Vargas”) filed a putative class and PAGA representative action lawsuit entitled *Nataly Lopez Vargas v. Saputo Dairy Foods USA, LLC*, which Defendant subsequently removed to the United States District Court for the Eastern District of California on December 28, 2022, where it remains pending at Case No. 1:22-cv-1645-DJC-JDP. Vargas asserts class claims for alleged (1) meal period violations, (2) rest period violations, (3) unpaid overtime wages, (4) unpaid minimum wages, (5) failure to pay all wages at termination of employment, (6) wage statement violations, (7) failure to maintain records, (8) unreimbursed business expenses, and (9) unfair business practices. Vargas also alleges PAGA claims based on the same alleged predicate facts and Labor Code violations as her class claims. Vargas seeks to represent all current and former nonexempt employees of Defendant in the state of California, and seeks to recover PAGA civil penalties on behalf of the same group of individuals.

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The Romero Class and PAGA Actions

6. On February 3, 2023, Plaintiff Juan Romero (“Romero”) filed a putative class action lawsuit entitled *Juan Romero v. Saputo Dairy Foods USA, LLC*, which Defendant subsequently removed to the United States District Court for the Eastern District of California on March 22, 2023, where it remains pending at Case No. 1:22-cv-00427- DJC-JDP. Romero asserts class claims for alleged (1) unfair competition, (2) unpaid minimum wages, (3) unpaid overtime wages, (4) meal period violations, (5) rest period violations, (6) wage statement violations, (7) unreimbursed business expenses, and (8) failure to pay sick wages. Romero seeks to represent a class consisting of all nonexempt California employees of Defendant.

7. Romero separately filed a PAGA lawsuit on June 1, 2023, in Tulare County Superior Court asserting claims for civil penalties based on alleged violations of Labor Code §§ 201-204, 210, 221, 226, 226.7, 227.3, 246, 510, 512, 558, 1194, 1197, 1197.1, 1198, 2802, and the applicable IWC Wage Orders, including provisions pertaining to reporting time pay and suitable seating. The case is pending before Judge Brett Hillman.

The Parties’ Successful Global Mediation Efforts

8. The Parties to the Actions attended a joint, private mediation with David Rotman, a well-respected and highly sought-after mediator with more than twenty-five years of experience in wage and hour, class and representative action litigation. Joint mediation was conducted because of the overlap in the claims, parties, counsel, and courts where the Actions are pending. The full-day mediation took place on September 19, 2023 and an MOU was fully executed on November 10, 2023. The Parties reached a resolution of the claims during that mediation and subsequently executed a Memorandum of Understanding summarizing the material terms of the proposed Settlement.

9. **Class Counsel’s Investigation.** Counsel for Martinez, Romero, Vargas, the Class Members, and those alleged aggrieved employees Plaintiffs seek to represent—Wilshire Law Firm, PLC (“Martinez’s Counsel”), Matern Law Group, PC (“Vargas’s Counsel”), and Blumenthal Nordrehaug Bhowmik De Blouw LLP (“Romero’s Counsel”) (collectively, “**Class Counsel**”)—conducted an informal investigation into the facts and allegations of the Actions, including an extensive review of hundreds of pages of documents and hundreds of thousands of lines of data. More specifically, Class Counsel made informal discovery requests in advance of mediation, and reviewed and analyzed documents produced in response to such requests, including Plaintiffs’ personnel information, written policies relating to the claims asserted in the Actions, time records and payroll data and pay statements for the Class Members, and other data reflecting the pay and workweeks worked by Class Members during four years preceding the filing of the *Martinez* Class Action. Class Counsel also investigated the claims against Saputo in the Actions and analyzed all applicable defenses raised by Saputo.

10. **Class Counsel’s Evaluation.** Class Counsel believes that the Settlement documented by this Agreement is fair, reasonable, and adequate, and in the best interest of the Class Members based on all known facts and circumstances, including the risk of significant delay, defenses asserted to the merits of these Actions, defenses asserted to class certification and the

manageability of any PAGA representative action, as well as defenses to the overall issue of liability and damages, and potential appellate issues.

11. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge any and all claims, rights, demands, charges, complaints, causes of action, obligations or liability of any and every kind that were or could be asserted in the Actions based upon the operative facts alleged or theories asserted in any of Plaintiffs' complaints, amended complaints, or in the letters to the Labor and Workforce Development Agency. Additionally, the Parties intend the Settlement encompassing the Actions as described in this Agreement to be contingent upon: (1) the Court's preliminary and final approval of the terms of this Agreement, including entry of a final approval order and the Judgment in the consolidated *Martinez/Romero/Vargas* Action, described in Section X; (2) execution by Martinez, Romero, and Vargas separately of a general release of all claims as described herein against Saputo and all Released Parties (defined below in Section XV); and (3) dismissal with prejudice of the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action consistent with Section X.

12. **The Parties stipulate to the certification of this Settlement Class solely for purposes of this Agreement.** The Parties stipulate to certify the Class described herein for settlement purposes only. The Parties' stipulation to class certification is contingent upon the preliminary and final approval and certification of the Settlement Class only for purposes of this Agreement. Should this Agreement not become final or not be approved by the Court, for whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as part of the Agreement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Actions. Saputo does not waive, and instead expressly reserves, its right to challenge the propriety of class certification or representative treatment for any purpose should the Court not approve this Agreement.

13. **The Parties' Agreement to Cooperate and Execute Necessary Documents.** The Parties agree to cooperate and to take all steps reasonably necessary and appropriate to effectuate the terms of this Agreement including to obtain a preliminary approval order and Final Approval Order of this Settlement, to obtain entry of judgment and/or dispose of the Actions and claims of Class Members and aggrieved employees with prejudice, to have Martinez, Romero and Vargas execute separate, general releases of all claims against Saputo (with one carve-out as to Vargas only as described herein in Section XV), and to have Saputo timely provide the Class Data (defined below) and fund the Gross Settlement Amount.

NOW THEREFORE, in consideration of the recitals listed above and the promises, releases, and warranties set forth below, and with the Parties' intent to be legally bound and to acknowledge the sufficiency of the consideration and undertakings set forth herein, the Plaintiffs, individually and on behalf of the Class Members, the PAGA Group, and the State of California LWDA, on the one hand, and Saputo, on the other hand, agree that the Actions shall be and are finally and fully compromised and settled as to the Released Parties, on the terms and conditions set forth herein, subject to Court approval:

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AGREEMENT

I. DEFINITIONS

- A. Class Definition and Class Period: “**Class**,” “**Settlement Class**,” or “**Class Members**” means: All persons who were classified as nonexempt and employed in California at either of the legacy SDF facilities located at 605 N. J Street, Tulare CA 93274 and/or 299 5th Avenue, Gustine, CA 95322, any time from May 6, 2018, through the earlier of the date the Court grants preliminary approval of the settlement or December 31, 2023 (“**Class Period**”). Individuals who meet the foregoing criteria during the Class Period are referred to herein individually as “**Class Member**” or collectively as “**Class Members**.”
- B. Class Counsel. Martinez and the group of individuals she seeks to represent are represented by Justin Marquez, Benjamin Haber, and Daniel Kramer of Wilshire Law Firm, PLC (“Martinez’s Counsel”). Vargas and the group of individuals she seeks to represent are represented by Matthew J. Matern, Mikael H. Stahle, and Irina A. Kirnosova of Matern Law Group, PC (“Vargas’s Counsel”). Romero and the group of individuals he seeks to represent are represented by Aparajit Bhowmik, Kyle R. Nordrehaug, Norman Blumenthal, Sergio Julian Puche, and Jeffrey S. Herman of Blumenthal Nordrehaug Bhowmik De Blouw LLP (“Romero’s Counsel”). Collectively, Martinez’s Counsel, Vargas’s Counsel, and Romero’s Counsel are referred to as “**Class Counsel**.”
- C. The Court. The “**Court**” shall mean, for purposes of this Agreement, the court in which Plaintiffs file their motion(s) for preliminary and final approval of the Settlement, as contemplated herein.
- D. “Final Approval Order” refers to the order by the Court finally approving the Settlement following the Final Settlement Approval Hearing.
- E. Gross Settlement Amount. The “Gross Settlement Amount” is Two Million Dollars \$2,000,000.00 (the “**Gross Settlement Amount**” or “**GSA**”), which includes all attorneys’ fees (however allocated among Class Counsel), Plaintiffs’ court costs, enhancement payments to Plaintiffs, settlement administration costs, the PAGA Settlement Amount (defined herein in Section III), and any other costs or expenses related to the settlement incurred by Plaintiffs. The employer side payroll taxes shall be paid separate from the Gross Settlement Amount. Neither the Court nor the Settlement Administrator shall have any power to increase the Gross Settlement Amount or depart from the express terms of this Agreement.
- F. Operative Complaint. “**Operative Complaint**” means the Amended Complaint filed pursuant to the Parties’ Stipulation and Court Order in the *Martinez* PAGA Action which adds Vargas and Romero as class and PAGA representatives and adds class claims and PAGA claims that fully encompass the class and PAGA claims alleged in the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class

and PAGA Actions, and the claims and allegations in the notices submitted by Plaintiffs to the LWDA.

- G. PAGA Group and PAGA Period. “**PAGA Group**” means all persons who were classified as nonexempt and employed in California at either of the legacy SDF facilities located at 605 N. J Street, Tulare CA 93274 and/or 299 5th Avenue, Gustine, CA 95322, at any time between September 15, 2021 and the earlier of the date of preliminary approval or December 31, 2023 (“**PAGA Period**”).
- H. “Settlement Administrator” refers to ILYM Group, Inc., the third-party administrator, who has been mutually selected by the Parties, subject to Court approval, to perform the notice, settlement administration, and distribution of payment functions further described in this Agreement. The Settlement Administrator shall establish a Qualified Settlement Fund (QSF) pursuant to U.S. Treasury Regulation Section 468B-1 for purposes of administering the Settlement.

II. PROVISIONAL APPROVAL OF THIS AGREEMENT

- A. **Stay of the *Martinez* Class Action, *Vargas* Class/PAGA Action, and *Romero* Class and PAGA Actions; Amendment to *Martinez* PAGA Action and Preliminary Approval of Agreement before *Martinez* PAGA Action Court.**
Upon execution of this Agreement, the Parties shall take the following actions:
 - 1. The Parties acknowledge that, on November 20, 2023, the Court in the *Martinez* Class Action, *Vargas* Class/PAGA Action, and *Romero* Class Action entered an Order in each of those cases on the Parties’ stipulations pursuant to which those cases are stayed pending final approval of this Agreement through the *Martinez* PAGA Action. The Parties further acknowledge that on November 20, 2023, the Court in the *Romero* PAGA Action entered an Order pursuant to the Parties’ stipulation to stay that case pending final approval of this Agreement.
 - 2. The Parties acknowledge that on January 23, 2024, the Parties filed a stipulation and proposed order for leave to file an amended consolidated complaint in the *Martinez* PAGA Action for the purpose of adding Vargas and Romero as class and PAGA representatives and adding class claims and PAGA claims that mirror the class and PAGA claims alleged in the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class and PAGA Actions, and the notices submitted by Plaintiffs to the LWDA.
 - 3. The Parties agree that in the event the Court does not grant final approval of the class/PAGA action settlement in the consolidated *Martinez/Romero/Vargas* Class/PAGA Action, the Parties return to status quo as existed prior to the date the Parties signed the Memorandum of Understanding and the operative complaint in each lawsuit shall be the initial complaints filed in each lawsuit.

4. The Parties agree to use their best efforts to schedule a hearing at which to seek preliminary approval of the Settlement so that the hearing occurs within sixty (60) calendar days of the date upon which the Parties execute this Agreement. If it is not possible to schedule a hearing on preliminary approval of the Settlement within sixty (60) calendar days of the date this Agreement becomes fully executed, the Parties agree to schedule the hearing at the first mutually agreeable available date thereafter.
5. Class Counsel shall jointly move the Court in the consolidated *Martinez/Romero/Vargas Class/PAGA Action* to enter an order as to all of the following:
 - a) Preliminarily certifying, for settlement purposes only, a Class comprising the Class Members;
 - b) Preliminarily appointing, for settlement purposes only, Wilshire Law Firm, PLC, Matern Law Group, PC and Blumenthal Nordrehaug Bhowmik De Blouw LLP as Class Counsel;
 - c) Preliminarily appointing, for settlement purposes only, Martinez, Romero and Vargas as class and PAGA representatives;
 - d) Appointing and approving ILYM Group, Inc. as the Settlement Administrator;
 - e) Provisionally approving all terms of this Agreement and finding that such terms are sufficient to warrant sending notice of settlement to Class Members;
 - f) Approving the form and content of the Notice of Proposed Settlement and Final Settlement Approval Hearing (the “Notice Packet”);
 - g) Authorizing the mailing of the Notice Packet to the Class Members; and
 - h) Scheduling a hearing, to occur within a reasonable period after the Response Deadline (defined below) has expired, in which the Court shall fully and finally approve this Agreement and the settlement herein, and enter Judgment (the “**Final Settlement Approval Hearing**”).

Saputo does not intend to oppose Plaintiffs’ Motion for Preliminary Approval provided such motion and supporting papers are consistent with the terms of this Agreement. Class Counsel shall provide counsel for Defendant with a draft of the preliminary approval motion and supporting papers, and proposed preliminary approval order, for review and opportunity to provide comments within a reasonable time after this Agreement is executed and shall make their best efforts to do so at least five business days prior to the filing of the motion for preliminary

approval. Saputo shall provide Plaintiffs suggested edits, if any, within three (3) business days of receipt. The Parties shall jointly prepare the proposed Preliminary Approval Order and proposed Notice Packet, and Class Counsel shall submit them in the form and content mutually agreed to by the Parties.

- B. **Notice of Settlement to Appropriate Government Officials.** Pursuant to California Labor Code section 2699(1)(2), Class Counsel shall notify the LWDA of the proposed Settlement at the same time that Class Counsel files the joint motion for preliminary approval of the Settlement.

This Agreement is contingent upon entry of an order by the Court that contains each of the terms specified in Section II(A)(5) above, in addition to the other conditions specified in this Agreement. This Agreement shall become null and void in the event the Court for any reason refuses to enter the orders specified in Section II(A)(5) after all opportunities granted by the Court to the Parties for amendment have been exhausted. In the event the Court for any reason refuses to enter such orders, the Parties agree to cooperate in good faith to resolve any issues addressed by the Court, and exhaust all possible solutions to obtain the Court's approval.

III. ALLOCATION OF GROSS SETTLEMENT AMOUNT

- A. The following are material conditions to be satisfied before payment of the Gross Settlement Amount is made:
1. Execution of this Agreement by all signatories.
 2. The Court has conducted a Final Settlement Approval Hearing and fully and finally approves all material terms of this Agreement.
 3. A Final Approval Order and Judgment including all of the provisions identified in Section X is entered by the Court and becomes final under California law (including the right to appeal expiring).
 4. The *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action are dismissed with prejudice as described in Section X.
 5. The time to file any appeal in the amended *Martinez/Romero/Vargas* Class/PAGA Action and the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action has expired and no appeal has been filed on the Final Approval Order and Judgment or on the order of dismissal entered in the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, or *Romero* PAGA Action, or any appeals filed in any of the *Martinez/Romero/Vargas* Class/PAGA Action, the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, or *Romero* PAGA Action have been fully resolved by a final judgment, dismissal, or withdrawal of the appeal.

6. Martinez, Romero, and Vargas have signed separate release agreements as described in Section XV herein, generally releasing any and all claims against Saputo, including any claims that may arise out of or relate to their employment, and providing for a waiver of rights under California Civil Code section 1542.

- B. **Gross Settlement Amount.** The Gross Settlement Amount shall be paid by Saputo on the condition that all of the conditions set forth above in Sections II(A)(5) and III(A) have occurred, in full satisfaction of all claims released under this Agreement, and includes all individual payments to Class Members, PAGA Group Members, enhancement payments to Plaintiffs, payments to the LWDA, all attorneys' fees (however allocated among Class Counsel), Plaintiffs' court costs, payments to the Settlement Administrator, and any other costs or expenses related to the settlement incurred by Plaintiffs. Saputo shall be separately responsible for employer-side payroll taxes (including, without limitation, FUTA, SUTA and the employer portion of FICA, Medicare and any applicable state or local employment taxes) which shall not be paid from the Gross Settlement Amount. The Parties agree that, subject to this paragraph, under no circumstances shall Saputo be obligated to pay any amount over the Gross Settlement Amount under the terms of this Agreement except as provided for in this Agreement.
- C. **PAGA Penalties.** The Parties will seek approval for a PAGA penalties payment from the Gross Settlement Amount in the total amount of \$100,000.00 to PAGA Group Members and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law that were alleged or could have been alleged to have been violated based on the facts alleged and theories asserted in the complaints and notices to the LWDA filed by Plaintiffs in the Actions ("**PAGA Settlement Amount**"). Pursuant to PAGA, Seventy Five Percent (75%) of the PAGA Settlement Amount will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all PAGA Group Members. The 25% to be paid to PAGA Group Members shall be distributed based on the number of pay periods worked by that Class Member in a nonexempt California position during the PAGA Period (defined as September 15, 2021 through the earlier of the date of preliminary approval or December 31, 2023) compared to the aggregate number of pay periods worked by all PAGA Group Members during the PAGA Period. There are no opt-out rights with respect to the PAGA portion of this Settlement. Accordingly, each PAGA Group Member, regardless of whether they timely submit a Request for Exclusion, shall receive a portion of the PAGA Settlement Amount proportionate to the number of pay periods that he or she worked during the PAGA Period, subject to Court approval ("**Individual PAGA Amounts**"). The Court's reduction or increase of the PAGA Settlement Amount is not a material term of this Agreement. If the Court approves a lesser amount or a higher amount than that requested by Class Counsel for the PAGA Settlement Amount, the Parties will not object to such determination, the other terms of this Agreement shall apply and the Net Settlement Amount (defined below) to be distributed to the Class Members will be adjusted accordingly.

IV. SETTLEMENT ADMINISTRATOR

- A. **Appointment of Settlement Administrator.** The Parties request that the Court appoint ILYM Group, Inc. as Settlement Administrator. The Settlement Administrator will be responsible for the administration of the settlement terms set forth herein, and all related matters. Among other responsibilities, the Settlement Administrator will: (i) provide required notices under the Class Action Fairness Act as applicable, (ii) publish notice of the settlement to Class Members through the distribution of written notice to Class Members based on the list provided by Defendant, and perform address searches and re-mailings as necessary; (iii) track returned notices; (iv) notify the Parties of timely and untimely Objections and requests for exclusion received; (v) notify the Parties of any disputes by Class Members of the number of Individual Work Weeks and/or persons claiming to be Class Members and resolve any disputes resulting from same; (vi) calculate the amounts due to each Class Member; (vii) provide settlement payments, W-2 Forms, and 1099 Forms to “Participating Class Members” (those who do not opt-out) and to the relevant taxing authorities; (viii) make all other required settlement payments and tax remissions pursuant to the terms of this Agreement and as directed by the Court, including but not limited to issuing to Class Members who do not opt-out an IRS Form W-2 and IRS Form 1099 for all amounts paid under this settlement as appropriate, making all deductions and withholdings required under law; and (ix) perform such other duties as are described in this Agreement and/or as are customarily performed by settlement administrators. The Settlement Administrator will calculate and disburse all payments due under this Settlement Agreement. The Individual PAGA Amount paid to PAGA Group Members will be issued separately from the remainder of the Individual Settlement Payment, if any. The Settlement Administrator will also mail a check for 75% of the PAGA Payment to the LWDA for settlement of the PAGA claim. The Settlement Administrator will also issue a 1099 form to Class Counsel for sums they received under this Agreement. Among its other duties as described in this Agreement, the Settlement Administrator shall provide counsel for the Parties with a weekly report showing the number of opt-outs and objections received as well as declarations as required by the approval process of this Settlement. The Parties agree to provide any reasonable information requested by the Settlement Administrator needed to effectively administer the settlement.
- B. **Cost of Settlement Administrator.** The cost of the Settlement Administrator, including those costs incurred in mailing the Notice Packet to the Class Members as required by this Agreement, will be paid from the Gross Settlement Amount and the parties anticipate that the costs shall not exceed Thirteen Thousand, Five Hundred Twenty Eight Dollars and Seventy Cents (\$13,528.70) based on a written bid received from the Settlement Administrator obtained by the Parties. All disputes relating to the Settlement Administrator’s performance of its duties, after good-faith efforts by the Parties to first resolve such disputes, will be referred to the Court, if necessary.

V. NOTICE OF SETTLEMENT TO CLASS MEMBERS AND PAGA GROUP MEMBERS

- A. **Class Data for Settlement Administrator.** Within **fourteen (14) calendar** days after entry of the Court's preliminary approval order that includes all of the provisions identified in Section II(A)(5), Saputo shall provide to the Settlement Administrator the following information for each Class Member and PAGA Group Member in a password protected Microsoft Excel format: name, last known address, Social Security number, and the dates that each Class Member and PAGA Group Member was employed as a nonexempt employee in California during the Class Period ("**Class Data**") (in order to determine the total number of Individual Work Weeks (as defined in Section VIII(A)) attributed to each Class Member during the Class Period and PAGA Period, as applicable).
1. Within seven calendar days of receipt of the Class Data by the Settlement Administrator, the Settlement Administrator shall provide to Class Counsel, without revealing any confidential information such as names, Social Security Numbers, contact information, or other personally identifiable information, the number of unique Class Members along with the corresponding number of workweeks worked by each Class Member.
- B. **Confidentiality Of Class Member Contact Information And Data.** The contact information is being provided confidentially, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of contact information of the Class Members. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Agreement. The Settlement Administrator shall return the class data to Saputo or confirm its destruction upon completion of the Settlement Administrator's duties.
- C. **Mailing Of Notice Packet.** The Settlement Administrator shall mail the Notice Packet to Class Members **within 14 calendar days** of receiving the Class Member data from Saputo. The Settlement Administrator shall send the Notice Packet via First Class U.S. Mail, using the most current, known mailing address for each Class Member and PAGA Group Member based on information provided by Saputo. Upon receipt of this information from Saputo, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes.
- D. **Re-mailing Of Returned Notices.** Any mailing returned to the Settlement Administrator as undeliverable shall be sent **within 3 business days** via First Class U.S. Mail to the forwarding address affixed thereto, if applicable. If no forwarding address is provided, the Settlement Administrator shall attempt to determine the correct address again using a robust skip trace database to update and correct any known or identifiable address changes. Following this procedure, the Settlement Administrator shall perform a re-mailing via First Class U.S. Mail **within 3**

business days. It shall be presumed that those Class Members whose re-mailed Notice Packets are not returned to the Settlement Administrator as undeliverable within **thirty (30) calendar days** after re-mailing, actually received the Notice Packet.

- E. **Content Of The Notice Of Class Action Settlement.** The Notice Packet shall be in a form and content mutually agreed to by the Parties and shall, among other things, inform Class Members of their right to decline to participate in the class action portion of the settlement established by this Agreement, so long as the Class Member submits to the Settlement Administrator a valid request for exclusion on or before the Response Deadline (defined below), accurately describe the scope of the release, provide all deadlines and material terms of the Settlement, Class Counsel's contact information, a URL to a website maintained by the Settlement Administrator that has links to the notice and the most important publicly filed documents in the case. The Class Notice shall also state that a Class Member's right to opt out applies only to the class action portion of the Settlement and that no opt out right applies to the settlement of PAGA claims in the Actions. It shall be presumed that each and every Class Member whose Notice Packet is not returned to the Settlement Administrator as undeliverable **within thirty (30) calendar days** after mailing or remailing (as described above in Section V(C)-(D)) actually received it.
- F. **Proof Of Mailing.** At least 16 court days prior to the Final Settlement Approval Hearing, the Settlement Administrator shall provide a finalized and executed declaration of due diligence and proof of mailing with regard to mailing of the Notice Packet to Class Counsel and Defendant's Counsel, which Class Counsel shall in turn provide to the Court. No later than 5 business days before the final executed declaration is due to be filed by Class Counsel, the Settlement Administrator shall provide to Class Counsel and Defendant's Counsel a final draft of the declaration for review.
- G. Counsel for the Parties shall not attempt in any way to initiate contact or initiate communications with any Class Member other than through the Notice Packet, to discuss the Settlement, except as provided in this Agreement and to the extent any Class Member identified by the Settlement Administrator as to whom the Notice Packet is believed by the Settlement Administrator to have been undeliverable, in which case counsel for Saputo may make reasonable attempts to secure accurate contact information for such Class Member. Notwithstanding the foregoing: (i) the Parties may respond to questions by Class Members who contact Counsel as well as respond to questions by the Settlement Administrator about specific claims or questions of Class Members; and (ii) Saputo may communicate with its employees and the Class Members to discuss or describe the Settlement as set forth in this Agreement provided that such communications shall not interfere with or discourage participation in the Settlement.

VI. THE OPT-OUT PROCEDURE

- A. **Class Members' Consideration Period.** The Notice Packet shall state that Class Members who wish to exclude themselves from the class action portion of the Settlement must submit a request for exclusion (aka an "Opt Out" request). The deadline to submit a request for exclusion is **45 calendar days** from the original date that the Notice Packet was mailed (the "**Response Deadline**"). To be considered timely, the completed request for exclusion must be sent by first class mail and be postmarked to the Settlement Administrator at the address listed in the Notice Packet on or before the Response Deadline, but an otherwise valid and timely opt-out form that is received by the Settlement Administrator will be accepted. The date of the postmark on the return mailing envelope on the request for exclusion shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a complete list of all members of the Class who have timely submitted requests for exclusion.
- B. **No right to opt out from PAGA settlement.** The Class Notice shall state that a Class Member's right to opt out applies only to the class action portion of the Settlement and that no opt out right applies to the settlement of PAGA claims in the Actions.
- C. **Opt-Out Procedures.** All Class Members who do not timely return a completed request for exclusion shall be bound by the terms and conditions of this Agreement including the release of claims described herein, and shall also be bound by any Court orders related to this Agreement or the Actions. A Class Member who wishes to exclude themselves shall send a letter to the Settlement Administrator setting forth their name, the last four digits of the Social Security number of the person requesting exclusion, and a statement that they request exclusion from the class and do not wish to participate in the settlement. The request for exclusion must be signed by the Class Member and postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address.
- D. **Effect of Opt-Out.** Class Members who successfully submit a request for exclusion will not be entitled to a settlement payment for the class portion of this Settlement, and will not be bound by the class action release of this Agreement. To the maximum extent permitted by law, any Class Member who opts out of the Settlement may not object to the Settlement. If a Class Member submits both a request for exclusion and an Objection, the Class Member's request for exclusion will be deemed to invalidate the Objection. Class Members who submit valid and timely requests to opt out of the Settlement shall not receive a payment for settlement of Class claims pursuant to the Settlement, nor shall such Class Members be bound by the terms of the Settlement of their individual claims against Saputo pursuant to this Settlement. However, Class Members who submit a valid opt out request will nevertheless be bound by the settlement and release of PAGA claims in the Settlement to the extent they are a member of the PAGA Group and will

receive a payment for their individual share of the PAGA Group Payment in settlement of PAGA claims pursuant to the terms of this Agreement. Settlement Class Members who receive a Notice Packet but fail to submit a valid and timely request for exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any Final Judgment entered in the Actions if the Settlement is approved by the Court.

- E. The Settlement Administrator shall review each request for exclusion upon receipt for timeliness, completeness, and validity. If a returned opt out request is defective or incomplete, the Settlement Administrator will promptly notify the Class Member of the defect or deficiency and permit the Class Member fourteen **(14) days** from the date of the mailing of the deficient form or the Response Deadline to cure the defect (the “**Cure Deadline**”), whichever is later. Notwithstanding the foregoing, any returned request for exclusion that is cured will not be considered effective unless: (i) the original returned request for exclusion was postmarked or delivered by the Response Deadline; and (ii) the cured returned request for exclusion was postmarked or delivered by the Cure Deadline. Class Members shall only be permitted one opportunity to cure a defective request for exclusion.
- F. Unless otherwise permitted by this Agreement, only the Settlement Administrator has the right to contact Class Members who submit a request for exclusion. The Settlement Administrator shall not interfere with any Class Member’s right to submit a request for exclusion and shall communicate with a Class Member solely for purposes of determining the validity, completeness, and any defect in a submitted request for exclusion. The Settlement Administrator shall not have the authority to extend the Response Deadline or Cure Deadline except as directed by the Court or otherwise agreed to by the Parties in writing. The Settlement Administrator shall provide weekly updates concerning the status to both Class Counsel and counsel for Defendant, which will not in any way hamper or impede the right of Class Members to submit requests for exclusion.
- G. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to opt out of the Settlement or to appeal from the Final Approval Order. Plaintiffs and Defendant and their respective counsel each agree that they will not distribute to any Class Member any documents, notices, or information regarding the Actions or the settlement other than documents, notices, or information approved by the Court, including but not limited to any documents, notices, or information that would encourage or discourage a Class Member from opting out, unless a specific request is first made to them by the Class Member.

VII. OBJECTING TO THE SETTLEMENT

- A. **Objection Rights.** Class Members who wish to object to the settlement may do so, either personally or through an attorney, in writing by directing such objection (“**Objection**”) to the Settlement Administrator within the Response Deadline. All written objections must be mailed to the Settlement Administrator via First-Class U.S. Mail. Class Members may also object by appearing at the Final Settlement

Approval Hearing. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether an Objection is timely submitted. The Settlement Administrator shall provide all such Objections to Class Counsel and Defendant's counsel promptly upon receipt. The Court retains final authority with respect to the consideration and admissibility of any Class Member's Objections. Plaintiffs and Defendant will be permitted to respond in writing to any written Objections by **no later than seven (7) calendar days** before the Final Settlement Approval Hearing unless the Objection is received at a later time. Plaintiffs and Defendant will be permitted to respond to Objections orally at the Final Settlement Approval Hearing.

- B. **Objection Procedures.** Any written Objection should contain the full name, home address, and telephone number of the objecting Class Member, a clear statement explaining why the Class Member objects to the Settlement and the legal and factual bases for the objection(s), identification of the objecting Class Member's attorney (if any), a clear statement indicating whether or not the objecting Class Member and/or his, her or their legal representative intends to appear at the Final Settlement Approval Hearing, and the case name and number. These instructions, as well as information regarding how to appear will be communicated in the Notice Packet.
- C. Though it is preferred that Class Members submit Objections by the Response Deadline, no objecting Class Member shall be denied the ability to object at the Final Settlement Approval Hearing (whether personally or through separate counsel).
- D. Class Members who object to the Settlement may still participate in the Settlement. A Class Member who objects, but does not submit a request for exclusion, will remain a Participating Class Member. Accordingly, if the Court approves the Settlement, such Class Members will be bound by the terms of the Settlement in the same way as the Class Members who did not object. Only those Class Members who opt-out will not be bound by the class action portion of this Agreement.
- E. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written Objections to the Settlement or to appeal from the Court's Final Approval Order and Judgment thereon.
- F. **Objecting Class Members Not Entitled to Attorneys' Fees.** The Parties expressly agree that objecting Class Members are not entitled to recover any attorneys' fees or costs from Class Counsel's fee award. This Agreement specifically bars recovery of attorney fees and costs for objectors even if the objection has added genuine value to the Settlement. Furthermore, nothing in this Agreement, express or implied, creates any obligation on the part of Defendant to pay any attorneys' fees or costs to an objector, even if such fees and costs are ordered to be paid by the Court.

- G. **Waiver of Objection Rights.** To the fullest extent permitted by law, Class Members who fail to submit Objections in the manner specified in the Notice Packet shall be deemed to have waived any Objections and shall be foreclosed from making any Objection, whether by appeal or otherwise, to this Agreement. To the maximum extent permitted by law, the Parties agree that only the Parties and/or Class Members who file a valid and timely Objection maintain the right to appeal.
- H. **Binding Effect of Settlement.** Although some Class Members might not receive the Notice Packet or timely submit a request for exclusion, as provided under this Agreement, due to inability to locate their current address following the procedures set forth in this Agreement, such individuals shall nonetheless be bound by all of the terms of this Agreement and the Final Approval Order and Judgment to the maximum extent permitted by law.

VIII. CALCULATION OF SETTLEMENT PAYMENTS TO CLASS MEMBERS AND PAGA GROUP

- A. Upon receipt of the list of Class Members, and prior to the mailing of the Notice Packet, the Settlement Administrator shall review the information submitted by Saputo to confirm the number of Qualifying Work Weeks of each Class Member during the Class Period (“**Individual Work Weeks**”) for purposes of performing the calculations of Individual Settlement Payments (defined below). For purposes of this Agreement, a “**Qualifying Work Week**” shall be defined as a 7-day week, beginning on Sunday and ending on Saturday, during which a Class Member employed by Saputo received compensation for regular hours worked as a nonexempt employee for work actually performed in California during the Class Period. For the avoidance of doubt, Individual Work Weeks shall not include any time periods for which a Class Member or a PAGA Group Member was on a paid or unpaid leave of absence.
- B. The Settlement Administrator shall thereafter provide to Defendant’s counsel and Class Counsel an anonymized list comprising each Class Member (to be listed by an identifying number and not by name or other personally identifiable information), the number of Individual Work Weeks for each Class Member and PAGA Group Member; and the gross minimum amount of the individual settlement payment to be made to each Class Member (“**Individual Settlement Payment**”), and Individual PAGA Amount and Individual PAGA Pay Periods (defined in Section VIII(G) below), if applicable, upon final approval of the Settlement of the Actions as determined and calculated per the formula described below.
- C. The amount of the Individual Settlement Payment to each Class Member shall be calculated and apportioned from the Net Settlement Amount based on the number of Individual Work Weeks of each Class Member.
- D. This Settlement does not require Class Members to submit a claim form to participate in the Settlement.

E. **Individual Settlement Payments From Net Settlement Amount.** This Settlement shall be a non-revisionary Settlement. Defendant maintains no reversionary right to any portion of the Gross Settlement Amount. For purposes of this Agreement, “**Net Settlement Amount**” means the portion of the Gross Settlement Amount remaining after subtracting payments for the following: (i) Plaintiffs’ attorneys’ fees as requested by Class Counsel in an amount not to exceed one third ($\frac{1}{3}$) of the Gross Settlement Amount (i.e., \$666,667); (ii) Plaintiffs’ verified actual litigation costs and expenses; (iii) claims administration costs up to the amount quoted (and ultimately billed) by the Settlement Administrator; (iv) enhancement award to the class representatives, Martinez, Vargas, and Romero, in the amount of \$10,000 each; and (v) the PAGA Settlement Amount. The amount remaining after the above are paid from the Gross Settlement fund shall be the Net Settlement Amount. The employer’s share of payroll taxes shall be separately paid and shall not be deducted from the Gross Settlement Amount. The Net Settlement Amount will be distributed to Class Members. Each Class Member who does not opt out shall be entitled to an Individual Settlement Payment consisting of their share of the Net Settlement Amount, in accordance with the formula set forth below.

F. **Individual Settlement Calculations and Payments.** Calculations of Individual Settlement Payments will be made as follows and shall be included in the notice to each Class Member and based on the assumption that no Class Member opts out:

1. The Settlement Administrator will calculate the total number of each Class Member’s Qualifying Work Weeks and Individual Work Weeks, and the total number of Qualifying Work Weeks for all Class Members (“**Class Work Weeks**”). To determine each Class Member’s Individual Settlement Payment, the Settlement Administrator will use the following formula:

[Net Settlement Amount ÷ total of the number of Class Work Weeks during the Class Period by Class Members (“Workweek Payment Rate”)] x Individual Work Weeks

The Individual Settlement Payments will be reduced by any required deductions for each Class Member as set forth herein, including required withholdings or deductions.

G. **Calculation of PAGA Group Members’ Individual Share of PAGA Group Payment.** Each PAGA Group Member’s individual share of the PAGA Settlement Payment (“Individual PAGA Amount”) shall be calculated on a pro rata basis, based on the following formula: The Settlement Administrator will calculate the total number of each PAGA Group Member’s Qualifying Pay Periods and Individual Pay Periods during the PAGA Period, and the total number of Qualifying Pay Periods for all PAGA Group Members in the PAGA Period (“**PAGA Group Pay Periods**”). For purposes of this Agreement, a “**Qualifying Pay Period**” shall be defined as a biweekly pay period, beginning on Sunday and ending on Saturday, during which a Class Member employed by Saputo received compensation for regular hours worked as a nonexempt employee for work actually performed in California during the PAGA Period (“Individual PAGA Pay Periods”). For the

avoidance of doubt, Individual Pay Periods shall not include any full biweekly pay periods for which a Class Member or a PAGA Group Member was on a paid or unpaid leave of absence. To determine each PAGA Group Member's Individual PAGA Amount, the Settlement Administrator will use the following formula:

$(\text{Individual PAGA Pay Periods} \div \text{PAGA Group Pay Periods}) \times \text{PAGA Group Payment (i.e. 25\% of the PAGA Settlement Amount as approved by the Court)}.$

The Individual PAGA Amounts constitute penalties from which no deductions or withholdings will be taken.

H. Procedures for Class Members to Dispute Workweek or Pay Period Calculations:

1. If a Class Member disagrees with the number of Individual Work Weeks or Individual PAGA Pay Periods listed in his/her/their Notice Packet, the Class Member must attach documentary evidence supporting the Class Member's alternative calculation of Individual Work Weeks and/or Individual PAGA Pay Periods and a written statement under penalty of perjury explaining the Class Member's calculation. Such documentary evidence and written explanation shall: (i) be submitted to the Settlement Administrator by no later than **ten (10) days** from the date the Notice Packet is postmarked; and (ii) establish that Defendant's records concerning the amount of Individual Work Weeks and/or Individual PAGA Pay Periods are inaccurate. The Parties will endeavor to resolve all disputes within **seven (7) business days** from the date the dispute is received by the Settlement Administrator.

If a Class Member submits such documentary evidence and written statement, the Settlement Administrator shall review the evidence and written statement and issue a written recommendation to the Parties concerning the calculation of Individual Work Weeks and/or Individual PAGA Pay Periods.

If either of the Parties disagrees with the Settlement Administrator's recommendation, the Parties agree to submit the matter to the Court for final resolution. Any Class Member disputing the number of Individual Work Weeks and/or Individual PAGA Pay Periods will bear the burden of establishing by documentary evidence and other admissible evidence that Defendant's records are inaccurate or incomplete.

- I. If necessary, the Settlement Administrator will distribute any funds of Class Members who timely opt-out to the Class Members who did not opt-out on a pro rata basis.

IX. TAX ALLOCATION

- A. The Individual Settlement Payments to Class Members shall consist of the following: (i) 40% wages and (ii) 60% interest and penalties.

- B. Because 40% of the gross amount of the Individual Settlement Payments to Class Members constitutes compensation for past services rendered, it shall be considered wages. Accordingly, the Settlement Administrator shall: (i) withhold from the applicable portion of the Individual Settlement Payment the Class Member's share of all appropriate payroll taxes, including federal and state income taxes; (ii) issue to each Class Member and appropriate taxing authorities a Form W-2 statement or its equivalent with respect to the appropriate portion of the Individual Settlement Payment; (iii) issue a Form-1099 to each Class Member and appropriate taxing authorities with respect to the portions of the Individual Settlement Payment representing penalties and interest and, to the extent a Class Member is also a PAGA Group Member, the Individual PAGA Amount; and (iv) notify Defendant of its share of any payroll taxes attributable to the employer for the 40% of the gross amount allocated to wages, which amount will be paid separately from the Gross Settlement Amount.
- C. The Settlement Administrator shall be granted reasonable access to Class Member time and pay records to calculate the Individual Settlement Payment to each Class Member. Defendant's records shall be determinative with respect to the number of Individual Work Weeks for the Class Member and shall be presumptively valid subject to Section VIII(F).
- D. **Allocation of Individual Settlement Payment Not Material.** The Court's approval of the allocation of the Individual Settlement Payment for Form 1099 income and Form W-2 income is not a material term of this Agreement. If the Court does not approve or approves a different allocation of the Individual Settlement Payments, the Agreement shall remain intact and all other terms of this Agreement shall apply.
- E. Neither Saputo nor its counsel, nor Class Counsel makes any representation, and have made no representations as to the tax treatment or legal effect of the payments called for in this Settlement Agreement, and Plaintiffs and Class Members are not relying on any statement, representation, or calculation by Saputo, the Settlement Administrator, or Class Counsel in this regard. Plaintiffs and Class Members understand and agree that Plaintiffs and Class Members will be solely responsible for the payment of any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiffs and any Class Member who receives any payment under this Agreement should consult with their tax advisors concerning the tax consequences of the Individual Settlement Payments they receive under the Settlement.

X. FINAL SETTLEMENT APPROVAL HEARING

- A. This Agreement cannot become effective, and Defendant shall have no obligation to make any settlement payment contemplated by this Agreement, unless and until the Court conducts a Final Settlement Approval Hearing and the Court enters a Final Approval Order and Judgment, as described below, approving all of the material terms of this Agreement, and the separately pending *Martinez* Class

Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action are dismissed with prejudice.

- B. Class Counsel shall be responsible for ensuring that at least the following documents are filed with the Court in advance of the Final Settlement Approval Hearing within the time frame set by the Court so that the Court will have a sufficient basis upon which to evaluate and approve the settlement:
1. A final report by the Settlement Administrator listing the following information: (i) a declaration by the Settlement Administrator confirming that the Notice Packets were timely mailed to Class Members as required by this Agreement; and (ii) the names (with no other identifying information) of all persons who submitted timely and complete requests for exclusion;
 2. A duly noticed motion for final approval, accompanying memorandum of points and authorities prepared by Class Counsel, and such other pleadings, evidence or other documents as may be necessary for the Court to determine that the Settlement documented by this Agreement is fair, adequate and reasonable; as well as a duly noticed motion for attorneys' fees, costs, and enhancement awards;
 3. A Proposed Final Approval Order and proposed Judgment for the Court's signature, approving the material terms of the Settlement documented by this Agreement as being fair, adequate and reasonable. The Parties shall jointly prepare the Proposed Final Approval Order and Judgment to be submitted in the form and content mutually agreed to by the Parties.
 4. The Parties agree that within five business days after the date the Final Approval Order and Judgment is entered by the Court in the amended *Martinez/Romero/Vargas* Class/PAGA Action, the Parties shall file joint stipulations for the dismissal with prejudice in the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action based on the judgment entered in the *Martinez/Romero/Vargas* Class/PAGA Action. The Parties agree to take any other necessary steps to dismiss the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action with prejudice, with fees and costs to be borne separately by each party. Class Counsel shall not be entitled to recover any additional fees or costs in the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action, including any fees for undertaking the dismissal described in this paragraph.
 5. The Parties will cooperate to finalize the motion for final settlement approval and supporting papers to be prepared by Class Counsel. Class Counsel shall also make their best efforts to provide a draft of the motion for final settlement approval and supporting papers, and an opportunity to provide comments thereto, to Defendant's counsel at least five business

days prior to the filing deadline for the motion. Class Counsel shall not file a motion for final settlement approval without first confirming with counsel for SDF that the Company has no objection to any matters stated within the final approval papers.

6. The Motion for Final Settlement Approval will be considered separate and apart from the Court's consideration of any applications for attorneys' fees and costs and/or enhancement payments, and the Court's ruling on any such separate applications will not terminate this Agreement or otherwise affect the Court's ruling on the Motion for Final Settlement Approval.
- C. Class Counsel shall also file with the Court a motion for an award of attorneys' fees in an amount that shall not exceed one third ($\frac{1}{3}$) of the Gross Settlement Amount (i.e., \$666,667) and a request for reimbursement of Plaintiffs' verified actual litigation costs and expenses associated with Class Counsel's litigation and settlement of the Actions. Defendant will not oppose Class Counsel's request for reasonable attorneys' fees and costs so long as the amounts requested do not exceed the amounts stated above.
 - D. If the Court reduces the attorneys' fees or costs to Class Counsel or to the Settlement Administrator, then this Agreement shall remain intact and the reduced money shall be distributed proportionally to Class Members in pro rata amounts based on their Individual Work Weeks. The Parties agree that regardless of any action taken by the Court or any appellate court with respect to Class Counsel Fees and Costs, the validity of the underlying Settlement shall not be affected.
 - E. Class Counsel shall also file with the Court a motion for a representative enhancement award of Ten Thousand Dollars (\$10,000.00) each to Martinez, Vargas and Romero ("Enhancement Award(s)"), which Defendant agrees not to oppose. The reasonable amount of the Enhancement Award will be subject to approval by the Court. Martinez, Vargas, and Romero agree that the Settlement Administrator will not withhold any taxes from the Enhancement Awards, will issue a Form 1099 or other appropriate tax form consistent with the classification of the Enhancement Awards, and will issue such additional forms as any state, federal, or local taxing authority shall subsequently require. Martinez, Vargas, and Romero each acknowledge and agree that Defendant and their counsel have made no representations regarding the proper tax treatment of the Enhancement Awards. Martinez, Vargas, and Romero each agree, covenant, and represent that they shall be solely responsible for paying any taxes and penalties payable on the Enhancement Award and that they shall defend, indemnify, and hold Defendant and the Released Parties (defined below) harmless from any claims, demands, actions, causes of action, losses, costs, attorneys' fees, penalties, or expenses arising from any classification of the Enhancement Award as taxable income. Class Counsel has the option of combining the motion for an award of attorneys' fees with the motion for a representative enhancement award.

- F. If the Court reduces the amount of the Enhancement Award, then the amount not approved by the Court shall be allocated to the Net Settlement Amount and distributed proportionally to Class Members in pro rata amounts based on their Individual Work Weeks. If the Court does not approve or approves a different Enhancement Award, the Agreement shall remain intact and all other terms of this Agreement shall apply. The Parties agree that regardless of any action taken by the Court or any appellate court with respect to the Enhancement Award, the validity of the underlying Settlement shall not be affected.
- G. Pursuant to Labor Code § 2699(1)(3), Class Counsel will provide to the LWDA a copy of the Court's Final Approval Order and Judgment within ten (10) days after entry of the Final Approval Order and Judgment.

XI. PAYMENT TO CLASS MEMBERS AND PAGA GROUP MEMBERS

- A. **"Effective Date"**. Defendant shall not be obligated to make any settlement payments contemplated by this Agreement, in any amounts, unless all of the following has occurred: (a) the Court has conducted the Final Settlement Approval Hearing and fully and finally approved all material terms of this Agreement; (b) the Court enters the Final Approval Order granting final approval of this Agreement, enters an appropriate Judgment (and an appropriate judgment or dismissal order has been entered in the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action), and the time period to appeal any such Judgments or orders have been exhausted without any appeals having been filed; (c) to the extent a timely appeal was filed, all such appeals have been voluntarily or involuntarily dismissed (other than an appeal limited solely to a challenge to the denial or reduction in the amount of requested attorneys' fees and/or enhancement payment to the named Plaintiffs), or the appropriate appellate court or the appellate courts have entered a final judgment affirming the Final Approval Order and Judgment as well as the judgment or dismissal order in the *Martinez* Class Action, *Vargas* Class/PAGA Action, *Romero* Class Action, and *Romero* PAGA Action without material modification and the final judgment of such appellate court or courts is no longer subject to any further appellate challenge or procedure. The **"Effective Date"** is the date on which all of the events described in this paragraph have occurred and all the conditions specified in Section III(A)(1)-(6) and Section X(A)-(G) have been satisfied.
- B. No later than **ten (10) business days** after the Effective Date, Defendant shall ensure a wire transfer to a bank account designated by the Settlement Administrator is effectuated for the Gross Settlement Amount pursuant to the allocation specified in Section III plus Defendant's separate portion of the employer-side payroll taxes. Following that wire transfer, but in no event more than **thirty (30) days** following the Effective Date, the Settlement Administrator shall issue payments to Class Members pursuant to the terms of this Agreement from the above-mentioned designated bank account and issue all necessary and proper tax forms.

C. The Settlement Administrator shall mail the Individual Settlement Payments and PAGA Group Member Individual PAGA Amount payments by First Class U.S. Mail to each Class Member's last known address. Checks shall be valid for **180 calendar days** from the date of mailing (the "Check Cashing Deadline"). Class Members who do not cash their settlement checks within 180 calendar days after mailing by the Settlement Administrator shall be deemed to have waived irrevocably any right in or claim to a settlement payment but shall still be bound by the Settlement and the release of claims provided therein. It shall be presumed that each Class Member received his, her, or their Individual Settlement Payment (and PAGA Group Member Individual PAGA Amount, if applicable) on the date the payment was deposited in the United States mail, unless the payment is returned to the Settlement Administrator within the Check Cashing Deadline. Any check returned by the post office with a forwarding address will be re-mailed within **five (5) calendar days** by the Settlement Administrator to that forwarding address via First Class U.S. Mail. If no forwarding address is provided, the Settlement Administrator shall attempt to determine the correct address using a robust skip trace database, and it shall then perform a re-mailing within **5 calendar days**. In accordance with California Code of Civil Procedure Section 384, any checks returned to the Settlement Administrator by the post office as undeliverable after the Settlement Administrator takes such steps, and all funds from checks that are not cashed, together with any interest or other amounts received but not disbursed, shall be distributed as follows:

1. The Settlement Administrator shall notify the Parties' counsel of the total amount that was actually paid to the Class Members and the amount of funds that are unclaimed.
2. At a date set by the Court for a final accounting, in accordance with Code of Civil Procedure Section 384(b), the Parties shall advise the Court of the total amount that was actually paid to the Class Members under this Agreement and the amount of funds that are unclaimed by the Class Members.
3. The amount of any Individual Settlement Payments and PAGA Group Member Individual PAGA Amounts that remain undeliverable or uncashed 180 calendar days after the postmarked date of the initial mailing of the Individual Settlement Payments will be paid to the California State Controller's Unclaimed Property Fund in the name of and for the benefit of the individual who did not cash their check, and the participating Class Member and/or PAGA Group Member will remain bound by the settlement. The Parties agree that this disposition results in no "unpaid residue" within the meaning of California Code of Civil Procedure Section 384, as the entire Adjusted Gross Settlement Amount will be paid out to Class Members, whether or not they all cash their Individual Payments.
4. If an appeal has been filed, Defendant will have no obligation to issue any payments identified in this Agreement until such appeal is finally resolved.

XII. PAYMENT OF ATTORNEYS' FEES AND COSTS TO CLASS COUNSEL; SETTLEMENT ADMINISTRATION EXPENSES; ENHANCEMENT AWARD

- A. No later than **thirty (30) days** following the Effective Date, the Settlement Administrator shall transfer the amounts awarded ordered by the Court from the designated bank account:
1. To Class Counsel, the amounts ordered by the Court for all attorneys' fees and costs incurred in prosecuting the Actions. More specifically, in terms of the attorneys' fees awarded by the Court, 42.5% shall be transferred to the Wilshire Law Firm, PLC, 42.5% shall be transferred to Matern Law Group, PC, and 15% shall be transferred to Blumenthal Nordrehaug Bhowmik De Blouw LLP. In terms of the attorneys' costs, Class Counsel shall be paid their share of the costs awarded by the Court.
 2. To the Settlement Administrator, the amounts ordered by the Court for all its expenses.
 3. To Martinez, Romero and Vargas, the amount ordered by the Court for the Enhancement Awards.
 4. To the LWDA, Seventy Five Percent (75%) of the PAGA Settlement Amount.

XIII. PAYMENT OF SETTLEMENT AMOUNTS TO CLASS MEMBERS AS ORDERED BY THE COURT

- A. No Impact On Contributions To Employee Benefit Plans. None of the payments made pursuant to this Agreement shall be considered to alter the terms or to grant any rights to additional payments under any employee benefit plans. None of the payments made pursuant to this Agreement shall be considered for purposes of determining eligibility for, vesting or participation in, or contributions to any benefit plan, including, without limitation, all plans subject to the Employee Retirement and Income Security Act of 1974 ("**ERISA**"). Any distribution of payments to Plaintiffs or Class Members shall not be considered as a payment of wages or compensation under the terms of any applicable benefit plan and shall not affect participation in, eligibility for, vesting in, the amount of any past or future contribution to, or level of benefits under any applicable benefit plan. Any amounts paid will not impact or modify any previously credited hours of service or compensation taken into account under any bonus or incentive plan, benefit plan sponsored or contributed to by Defendant or any jointly-trusted benefit plan, or for purposes of calculating the regular rate of pay. For purposes of this Agreement, "benefit plan" means each and every "employee benefit plan," as defined in 29 U.S.C. § 1002(3), and, even if not thereby included, any 401(k) plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare, profit sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive,

deferred compensation, or any other similar benefit plan, practice, program, or policy.

XIV. INVALIDATION OF AGREEMENT FOR FAILURE TO SATISFY CONDITIONS

- A. If any of the material terms or conditions set forth in Sections I through XIII of this Agreement are not fully and completely satisfied, this Agreement shall terminate at the election of either Plaintiffs or Defendant and all terms of the Agreement shall be null and void. In the event the Court fails to enter final judgment in accordance with the material terms of this Agreement, or such final judgment is vacated or reversed, the Actions shall proceed as if no settlement had been attempted and revert back to their prior procedural posture. In such event, nothing in this Agreement shall be used, construed or admissible as evidence by or against any Party as a determination, admission, or concession of any issue of law or fact in the Actions, or in any other proceeding for any purpose; and the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend the Actions as if this Agreement never existed.
- B. **Defendant's Right to Withdraw.** If, prior to the Final Settlement Approval Hearing, the number of persons who submit timely and complete requests for exclusion constitutes ten percent (10%) or more of the total number of Class Members, then Defendant shall have the sole and absolute discretion to withdraw from this Agreement. If Defendant elects to so withdraw, the withdrawal shall have the same effect as a termination of this Agreement for failure to satisfy a condition of settlement.
- C. If this Agreement is terminated for failure to satisfy any of the material terms or conditions, Defendant shall not be obligated to create or maintain any type of settlement fund and shall not be obligated to make any settlement payment to any Class Member, to Class Counsel, or to Martinez, Vargas, or Romero.

XV. RELEASES, REPRESENTATIONS AND WARRANTIES

- A. **Class Member Release.** Release of Claims by Martinez, Romero, Vargas and Class Members. In consideration of the monetary sum provided by Defendant and upon the Effective Date, Plaintiffs, and each Class Member who does not timely opt-out of the settlement, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, assigns, and any entities or businesses in which any of them have a controlling ownership interest, shall fully and finally release and discharge Saputo, and its respective former and present parents, subsidiaries, affiliated corporations and entities, including but not limited to Saputo Cheese USA Inc. and Saputo Inc., successors, insurers, clients, and vendors and independent contractors through which Saputo conducts business, and each of their respective current, former, and future officers, directors, members, managers, employees, consultants, vendors, independent contractors, clients, partners, shareholders, joint venturers and third-party agents, and any successors, assigns, legal representatives, or any individual or entity which could be jointly liable with Saputo and all persons or entities acting by, through, under, or in concert with any of them

(collectively, “**Released Parties**”), from any and all claims, rights, demands, liabilities, and causes of action of any kind arising from the alleged violation of any provision of common law, California law and/or federal law that occurred during the Class Period and that were pled in the Operative Complaint or could have been pled based on the facts alleged and theories asserted in the Operative Complaint including claims for: failure to timely pay all wages (California Labor Code §§ 201, 202, 203, 204, 558); failure to pay all minimum, overtime and reporting time wages, including with respect to the rate at which such wages are paid (California Labor Code §§ 204, 218, 218.5, 221, 225.5, 510, 558, 1182.12, 1194, 1194.1, 1194.2, 1197, and applicable sections of the relevant Order of the Industrial Welfare Commission); meal and rest period violations, including with respect to the rate at which premiums are paid (California Labor Code §§ 226.7, 512, 516, 558, and applicable sections of the relevant Order of the Industrial Welfare Commission); failure to provide sick pay or properly pay sick time, including with respect to the rate at which it was paid (California Labor Code §§ 233, 246, 248, 248.5); failure to provide suitable seating (Cal. Lab. Code §§ 1198, 1194.5, and section 14 of the relevant Order of the Industrial Welfare Commission); failure to pay vested vacation time at termination, including with respect to the rate at which it was paid (Cal. Lab. Code §§ 227.3, 558); failure to reimburse all necessary business expenses (California Labor Code §§ 2802, 2804); violation of the IWC California Wage Orders; failure to provide accurate wage statements (Cal. Lab. Code §§ 226, 226.3, 558); failure to maintain records (Cal. Lab. Code § 226, 1174, 1174.5); unfair competition in violation of California Business and Professions Code section 17200 et seq.; and any damages, penalties, restitution, disgorgement, interest, costs, or attorneys’ fees as a result thereof, and that arose during the Class Period (“**Released Claims**”). The Released Claims do not include claims to enforce this Agreement or claims that may not be released as a matter of law, including, for example, claims for vested benefits under an ERISA, 401(k), or similar plan, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside of the Class Period.

1. This settlement and the judgment entered thereon shall have res judicata effect precluding Plaintiffs and Class Members from initiating any other proceedings regarding claims released pursuant to this Agreement.

B. PAGA Release of Claims

1. Release of PAGA Claims. For the avoidance of doubt, Class Members/PAGA Group Members have no opt out rights as to the PAGA portion of the settlement of the Actions. Accordingly, upon the Effective Date, in consideration of the PAGA Settlement Amount, Plaintiffs, on behalf of themselves and the State of California, and all PAGA Group members, waive, fully release and forever discharge the Released Parties from any and all claims under PAGA (California Labor Code §§ 2698, et seq.) pled in the Operative Complaint or the PAGA Notices sent by Plaintiffs or that could have been pled based on the facts alleged or theories asserted in the Operative Complaint or the PAGA Notices sent by Plaintiffs, including claims for: failure to timely pay all wages (California Labor Code

§§ 201, 202, 203, 204, 558); failure to pay all minimum, overtime and reporting time wages, including with respect to the rate at which such wages are paid (California Labor Code §§ 204, 218, 218.5, 221, 225.5, 510, 558, 1182.12, 1194, 1194.1, 1194.2, 1197, and applicable sections of the relevant Order of the Industrial Welfare Commission); meal and rest period violations, including with respect to the rate at which premiums are paid (California Labor Code §§ 226.7, 512, 516, 558, and applicable sections of the relevant Order of the Industrial Welfare Commission); failure to provide sick pay or properly pay sick time, including with respect to the rate at which it was paid (California Labor Code §§ 233, 246, 248, 248.5); failure to provide suitable seating (Cal. Lab. Code §§ 1198, 1194.5, and section 14 of the relevant Order of the Industrial Welfare Commission); failure to pay vested vacation time at termination, including with respect to the rate at which it was paid (Cal. Lab. Code §§ 227.3, 558); failure to reimburse all necessary business expenses (California Labor Code §§ 2802, 2804); violation of the IWC California Wage Orders; failure to provide accurate wage statements (Cal. Lab. Code §§ 226, 226.3, 558); failure to maintain records (Cal. Lab. Code §§ 226, 1174, 1174.5); and that occurred during the PAGA Period.

C. Release by Martinez, Romero and Vargas, Representations and Warranties

1. General Release by Martinez, Romero, and Vargas. In addition to the Class Member Release of Claims and Release of PAGA Claims described in this Agreement, upon the Effective Date, Martinez, Romero, and Vargas each agree to a general release, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, assigns, and any entities or businesses where they have a controlling ownership interest, of any and all claims of any nature, known or unknown, contingent or accrued, against all Released Parties, whether in tort, contract, or equity, including, but not limited to, the Released Claims, and any claims arising out of or relating to any work performed by Plaintiff and/or Plaintiff's engagement to perform any work. Provided, however, that Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims that cannot be waived as a matter of law, including, for example, claims for vested benefits under an ERISA, 401(k), or similar plan, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. Plaintiffs understand that this release includes unknown claims and that Plaintiffs are, as a result, waiving all rights and benefits afforded by California Civil Code Section 1542, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

With full awareness and understanding of the above provisions, Plaintiffs waive and relinquish any and all rights and benefits that they may have under California Civil Code Section 1542, or the law of any other state or jurisdiction, or common law principle, to the same or similar effect, concerning the claims released herein. Provided, however, that nothing in this Agreement is intended to release any of the claims that Plaintiff Vargas has actually asserted as of November 3, 2023 (the date of Vargas’s execution of the MOU in the Actions) in the lawsuit captioned *Nataly Lopez Vargas v. Saputo Dairy Foods USA, LLC*, Merced County Superior Court Case No. 23CV-03290 (as filed on September 11, 2023) (the “Vargas Individual Action”). Except for the claims expressly excluded from this release, Plaintiffs understand and agree that this release operates to release all claims to the fullest extent permitted by law. Nothing herein is intended to preserve any claims that are released pursuant to Sections XV(A) and (B) of this Agreement.

2. Representations and Warranties. Martinez, Romero and Vargas each hereby represents, covenants, and warrants 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 rights herein released and discharged. Martinez, Romero and Vargas each further agrees that they shall not in any way hereafter commence, join, aid, or assist others in pursuing any claim, charge or action against any of the Released Parties for any acts or omissions released under this Agreement.
3. Waiver of Right to Appeal. Martinez, Romero and Vargas each waive their right to file an appeal and/or a writ or any challenge whatsoever to the terms of the impending stipulated judgment, except as to amounts approved by the Court for attorneys’ fees and costs and enhancement awards to Plaintiffs to the extent any such award is less than provided for by this Agreement.

D. No Misrepresentation

The Parties understand that the facts with respect to which this Agreement is entered into may be materially different from those the Parties now believe to be true. The Parties accept and assume this risk, and agree that this Agreement, including specifically the releases contained herein, shall remain in full force and effect, and legally binding, notwithstanding the discovery or existence of any additional or different facts, or any claims with respect to those facts.

XVI. CONFIDENTIALITY

- A. The Parties and their counsel shall keep confidential all settlement communications regarding the negotiation and drafting of this Agreement and its terms, including all communications and information shared in connection with the mediation and settlement negotiations of the Actions, except as required to obtain Court approval of the Settlement.
- B. The Parties agree that neither the Parties nor their counsel will issue any press release or other public representation regarding the settlement, other than as necessary to obtain court approval and effectuate the terms of the settlement. Provided, however, that the Court may be notified, if necessary prior to the filing of the motion for preliminary approval, that “The Parties have settled the case subject to court approval” while not mentioning the terms. The Parties and their counsel further agree that they will not initiate or have any contact with the press, respond to any press inquiry, or have any communication with the press about the Actions. Class Counsel will not communicate with other class counsel about this settlement, nor utilize it in any way in their marketing or advertising materials or website. However, Class Counsel may identify this settlement in court filings in other matters to demonstrate their adequacy as counsel in connection with the prosecution or settlement of other class actions if and when this settlement is approved by the court. Notwithstanding the above, Class Counsel may communicate with Class Members for purposes of the settlement, subject to the limitations set forth in Section VI(G) above. Nothing herein shall prohibit any of the parties from disclosing information relating to this Agreement as required by law.

XVII. MISCELLANEOUS PROVISIONS

A. Acknowledgment that the Settlement is Fair and Reasonable

The Parties believe this Agreement is a fair, adequate, and reasonable settlement of the Actions, which was reached after non-collusive, arm’s-length negotiations and mediation and in the context of adversarial litigation, considering all relevant factors, present and potential, including the risk of continued litigation. The Parties agree, covenant, and represent that this Agreement shall constitute a compromise of, and full accord and satisfaction of disputed claims.

B. No Admission of Liability

The Parties agree, covenant, and represent that this Agreement shall not be treated as an admission by Defendant at any time of any form of liability or the accuracy of any allegation made by Plaintiffs or Class Counsel, or as an admission by Defendant that class certification, or litigation on a representative basis is proper in the Actions.

C. Representation by Counsel

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with

the consent and advice of counsel. Further, Martinez, Romero and Vargas each warrants and represents that they are fully authorized to enter into this Agreement and the terms and conditions thereof, that there are no liens on the Agreement, and that after entry by the Court of the orders specified in this Agreement, the Settlement Administrator may distribute funds to Class Members, Class Counsel, PAGA Group Members, the LWDA, and Plaintiffs as provided by this Agreement.

D. Deadlines Set by this Agreement and Extensions of Time

If any deadline set by this Agreement falls on a Saturday, Sunday, or state or federal Court holiday, the deadline shall be deemed to fall on the next day that is not a Saturday, Sunday, or state or federal Court holiday. Further, the Parties may, by mutual agreement, agree upon a reasonable extension of time for deadlines and dates reflected in this Settlement Agreement, subject to Court approval when required.

E. Notice

All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered personally, by first class mail, or email to the undersigned persons at their respective addresses as set forth below:

Counsel for Martinez, Romero, Vargas and the Class Members:

Justin F. Marquez (SBN 262417)
justin@wilshirelawfirm.com
Benjamin H. Haber (SBN 315664)
benjamin@wilshirelawfirm.com
Daniel J. Kramer (SBN 314625)
dkramer@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

MATERN LAW GROUP PC
Matthew Matern (SBN 159798)
mmatern@maternlawgroup.com
Mikael Stahle (SBN 182599)
mstahle@maternlawgroup.com
Irina Kirnosova (SBN 312565)
ikirnisova@maternlawgroup.com
1230 Rosecrans Ave. Ste. 200
Manhattan Beach, CA 90266
Tel: (310) 531-1900
Fax: (310) 531-1901

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP
Norman Blumenthal (SBN 68687)
Kyle Nordrehaug (SBN 205975)
Aparajit Bhowmik (SBN 248066)
Nicholas De Blow (SBN 280922)
2255 Calle Clara
La Jolla CA 92037
Tel: (858) 551-1223
Fax: (858) 551-1232

Counsel for Defendant:

Koree Wooley
Cindi Ritchey
Jayce E. Gustafson
JONES DAY
4655 Executive Drive Ste. 1500
San Diego, California 92121
Telephone: (858) 314-1200
kwooley@jonesday.com
critchey@jonesday.com
jgustafson@jonesday.com

Settlement Administrator:

ILYM Group, Inc.
Telephone: (321) 223-5067

F. Memorandum of Understanding Superseded by this Agreement

Upon the date that this Agreement becomes fully executed by all Parties, this Agreement shall supersede the Memorandum of Understanding between the Parties that was fully executed on November 10, 2023. Provided, however, that in the event that one or more of the Parties fails to sign this Agreement, the Memorandum of Understanding remains binding and enforceable and may be used in lieu of this Agreement in seeking the Court's approval of this Settlement. Furthermore, the Memorandum of Understanding remains binding and admissible to prove the terms and conditions of the Parties' general agreement.

G. Captions

The captions and section numbers in this 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 Agreement.

H. Mutual Preparation

This Agreement has been reviewed by the Parties and their counsel. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, the Parties expressly waive the common-law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement, and agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

I. Entire Agreement

This Agreement comprises the Parties' entire agreement. There are no other agreements, written or oral, express or implied, between the Parties with respect to the subject matter hereof except this Agreement and the Memorandum of Understanding. The Parties acknowledge that no representations, statements or promises made by any other party, or by their respective agents or attorneys, have been relied upon in entering into this Agreement. The Parties explicitly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms of this Agreement.

J. Amendment or Modification

This Agreement may be modified or amended only if such modification or amendment is agreed to in writing and signed by a duly authorized representative of the Parties hereto, which writing shall expressly state the intent of the Parties to modify this Agreement.

K. Severability

The Parties to this Agreement agree, covenant, and represent that each and every provision of this Agreement shall be deemed to be contractual, and that they shall not be treated as mere recitals at any time or for any purpose. Therefore, the Parties further agree, covenant, and represent that each provision of this Agreement shall be considered severable, except for the release provisions of Section XV of this Agreement. If a court of competent jurisdiction finds the release provisions of this Agreement to be unenforceable or invalid, then this Agreement shall become null and void. If a court of competent jurisdiction finds any provision other than the release provisions of Section XV, or part thereof, to be invalid or unenforceable for any reason, that provision, or part thereof, shall remain in full force and effect to the extent allowed by law, and all of the remaining provisions of this Agreement shall remain in full force and effect.

L. Waiver

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

M. Execution and Counterparts

This Agreement, and any other documents required or contemplated to be executed to consummate this Agreement, may be executed in one or more counterparts, each of which shall be deemed an original of this Agreement. All counterparts of any such document together shall constitute one and the same instrument. Any party may sign and deliver this Agreement by signing on the designated signature block and transmitting that signature page via facsimile or as an attachment to an e-mail to counsel for the other party. Any signature made and transmitted by facsimile, email, DocuSign, or as an attachment to an e-mail for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party who transmits the signature page.

N. Binding on Successors and Assigns

This Agreement shall be binding upon, and shall inure to the benefit of the Parties, including Class Members, as well as their respective heirs, spouses, children, assigns, executors, administrators, successors, beneficiaries, subsidiaries, conservators, representatives, attorneys, estates, divisions and affiliated corporations and partnerships, including but not limited to Saputo Cheese USA Inc. and Saputo Inc., past and present, and trustees, directors, officers, shareholders, partners, agents and employees, past and present, of the Parties.

O. California Law Governs

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

P. Cooperation in Administration

The Parties agree to fully cooperate with one another to accomplish the terms of this Agreement, including but not limited to, execution of such documents and taking such other action as reasonably may be necessary to implement the terms of this Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order, suggestion, or recommendation of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. The Parties' efforts to continue to cooperate and make all best efforts to obtain approval of this Agreement shall only cease after the Parties have exhausted all opportunities to amend or modify this Agreement, including seeking the assistance of the mediator, and the filing of any motions to obtain approval of this Agreement.

Q. All Terms Subject to Final Court Approval

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

R. Disputes

If the Parties have a dispute with regard to the language of this Agreement, they agree to first attempt to resolve the dispute informally through good-faith negotiations, but if those efforts are unsuccessful, the Court retains full jurisdiction to interpret, construe, and enforce the terms of this Agreement.

S. Judgment and Continued Jurisdiction

The Court shall retain jurisdiction pursuant to Code of Civil Procedure Section 664.6 over the implementation of this Agreement as well as any and all matters arising out of, or related to, the implementation of this Agreement and Settlement including post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

T. Interim Stay of Proceedings.

The Parties agree to refrain from further litigation, except such proceedings as necessary to seek and obtain preliminary and final settlement approval. If this Agreement is not finally approved, the Parties agree that they will revert to their positions in the Actions prior to the time they entered into this Agreement, and no agreements set forth in this Agreement or any documents generated or orders issued related to this Agreement will be admissible in any future proceeding, in the Actions or in any other action.

U. Tolling of Statute.

The Parties stipulate and agree, pursuant to California Code of Civil Procedure section 583.330(a), in the event that final approval of the settlement is not granted, that the time within which the Actions must be brought to trial pursuant to Code of Civil Procedure sections 583.310 through 583.360 shall be extended by the period of time from September 19, 2023 through the later of September 19, 2024 or the date of entry of the order on the motion for final approval and that said period of time shall not be included in the computation of the five-year period specified in the Code of Civil Procedure section 583.310. Nothing in this section U is intended to revive expired claims or toll individual claims in separate actions raised by putative class members.

V. Circular 230 Disclaimer

EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER 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

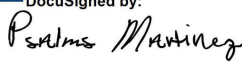
THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’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.

THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL KNOWLEDGE OF ITS CONSEQUENCES.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

PLAINTIFFS

Dated:
2/15/2024

DocuSigned by:

DEA96AB76ABB429...
Psalms Martinez

Dated:

Juan Romero


Dated: Feb 15, 2024

Nataly lopez (Feb 15, 2024 16:29 PST)
Nataly Lopez Vargas

Dated:

Name:
Title:
On behalf of Saputo Dairy Foods USA, LLC

THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'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.

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

PLAINTIFFS

Dated:

Psalms Martinez

Dated:
2/16/24

Juan Romero

Juan Romero

Dated:

Nataly Lopez Vargas

Dated:

Name:

Title:

On behalf of Saputo Dairy Foods USA, LLC

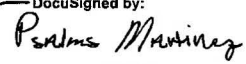
THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'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.

THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL KNOWLEDGE OF ITS CONSEQUENCES.

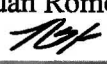
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

PLAINTIFFS

Dated:
2/15/2024

DocuSigned by:

Psalms Martinez

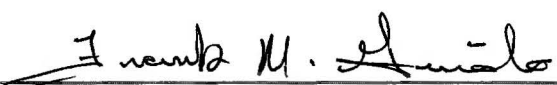
Dated:

Juan Romero


Dated: Feb 15, 2024

Nataly lopez (Feb 15, 2024 16:29 PST)
Nataly Lopez Vargas

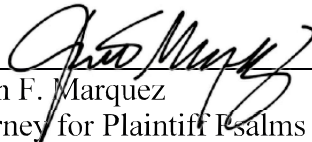
Dated: March 14, 2024


Name: Frank Guido
Title: President and COO, Suputo Cheese USA, Inc., as successor-in-interest to SDF
On behalf of Saputo Dairy Foods USA, LLC

Approved as to form and agrees to be bound by the confidentiality provisions in the Agreement:

WILSHIRE LAW FIRM

Dated: 02/15/2024


Justin F. Marquez
Attorney for Plaintiff Isalms Martinez

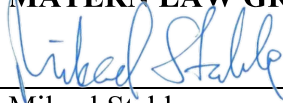
**BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP**

Dated: _____

Name
Attorney for Plaintiff Juan Romero

MATERN LAW GROUP PC

Dated: 02/15/2024


Mikael Stahle
Attorney for Plaintiff Nataly Lopez Vargas

JONES DAY

Dated: 03/14/2024


Koree Wooley
Attorney for Defendant

Approved as to form and agrees to be bound by the confidentiality provisions in the Agreement:

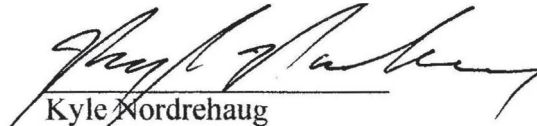
WILSHIRE LAW FIRM

Dated: _____

Justin F. Marquez
Attorney for Plaintiff Psalms Martinez

**BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP**

Dated: 2/20/24 _____



Kyle Nordrehaug
Attorney for Plaintiff Juan Romero

MATERN LAW GROUP PC

Dated: _____

Mikael Stahle
Attorney for Plaintiff Nataly Lopez Vargas

JONES DAY

Dated: _____

Koree Wooley
Attorney for Defendant

Exhibit 2

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

1/16/2025
Accrual Basis

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
COS					
Mediation Fees					
	8/31/2023	WIRE	Mediation Fee	8,125.00	8,125.00
Total MEDIATION FEES				8,125.00	8,125.00
Expert Fees					
	9/20/2023	9679	Expert Fees	6,930.00	6,930.00
Total EXPERT FEES				6,930.00	6,930.00
Legal Expenses					
	11/1/2022		PAGA Fee	75.00	75.00
	12/22/2022		Legal Research	37.10	112.10
	8/7/2023	844470612	Legal Research	28.57	140.67
	1/11/2023	847619313	Legal Research	13.96	154.63
	2/6/2023	847783910	Legal Research	270.96	425.59
	4/4/2023	848097210	Legal Research	128.16	553.75
	5/4/2023	848257744	Legal Research	80.47	634.22
	6/6/2023	848413295	Legal Research	266.69	900.91
	6/6/2023	848413295	Legal Research	547.32	1,448.23
	9/14/2023	847129568	Legal Research	78.79	1,527.02
	10/5/2023	849055448	Legal Research	55.81	1,582.83
	10/5/2023	849055448	Legal Research	1,048.59	2,631.42
	10/5/2023	849055448	Legal Research	65.71	2,697.13
	11/6/2023	849221290	Legal Research	124.57	2,821.70
	9/13/2023	7072D9F3-0005-B	Legal Research	68.50	2,890.20
	9/13/2023	7072D9F3-0005-D	Legal Research	68.50	2,958.70
	9/13/2023	7072D9F3-0005-C	Legal Research	68.50	3,027.20
	11/15/2023	7072D9F3-0006-C	Legal Research	95.89	3,123.09
	11/15/2023	7072D9F3-0006-D	Legal Research	95.89	3,218.98
	11/15/2023	7072D9F3-0006-A	Legal Research	68.50	3,287.48
	11/15/2023	7072D9F3-0006-B	Legal Research	82.19	3,369.67
	8/18/2023	INV92876-01	Legal Research	1,085.00	4,454.67
	9/19/2023	INV95018-01	Legal Research	294.00	4,748.67
	5/8/2023	5/8/2023	Court Call - Remote Appearance Service	72.00	4,820.67
	7/5/2023	07.05.23	Court Call - Remote Appearance Service	72.00	4,892.67
	7/14/2023	07.14.23	Court Call - Remote Appearance Service	(72.00)	4,820.67
	1/8/2024	01.08.24	Court Call - Remote Appearance Service	72.00	4,892.67
	1/11/2024	01.11.24	Court Call - Remote Appearance Service	(72.00)	4,820.67
	7/24/2024	07.24.24	Court Call - Remote Appearance Service	72.00	4,892.67
	7/24/2024	07.24.24	Court Call - Remote Appearance Service	72.00	4,964.67
	7/12/2024	07.12.24	Court Call - Remote Appearance Service	72.00	5,036.67
Total LEGAL EXPENSES				5,036.67	5,036.67
Process Service Fees					
	11/5/2022		Attorney Services	16.94	16.94
	7/23/2024	23370983	Attorney Services	19.46	36.40
	7/25/2024	23388366	Attorney Services	19.46	55.86
	10/31/2022	52226	Attorney Services	1,663.50	1,719.36
	11/18/2022	52826	Attorney Services	45.00	1,764.36
	12/15/2022	53541	Attorney Services	140.95	1,905.31
	1/19/2023	54602	Attorney Services	85.00	1,990.31
	11/17/2022	52797	Attorney Services	140.00	2,130.31
	1/9/2023		Attorney Services	463.74	2,594.05
	4/25/2023		Attorney Services	1,490.66	4,084.71
	5/3/2023		Attorney Services	17.40	4,102.11
	1/26/2024	22071546	Attorney Services	39.02	4,141.13
	6/6/2024	22071546(2)	Attorney Services	1.00	4,142.13
	2/23/2023	55977	Attorney Services	45.00	4,187.13
	12/27/2023	69510	Attorney Services	85.00	4,272.13
	2/23/2023	55936	Attorney Services	139.00	4,411.13
Total PROCESS SERVICE FEES				4,411.13	4,411.13
Other Costs					
	7/15/2021		Case Administration Fee for In-House Services	500.00	500.00
	9/14/2022	E-1688236	Printing Cost	5.00	505.00
	8/30/2023	E-3141598	Postage Cost	0.63	505.63
	11/1/2022	E-1984988	Postage Cost	6.81	512.44

	11/1/2022	E-1984987	Postage Cost	6.81	519.25
	2/13/2024	E-690735	Postage Cost	1.89	521.14
	9/21/2023	E-3166923	Postage Cost	1.89	523.03
	11/3/2023	E-3160077	Postage Cost	1.89	524.92
	9/5/2023	8-242-01316	Printing Cost	48.88	573.80
	9/19/2023	8-255-57458	Printing Cost	49.19	622.99
	2/23/2023	55936	Postage Cost	34.56	657.55
	9/19/2023		Lunch During Mediation	124.11	124.11
Total OTHER COSTS				<u>781.66</u>	<u>781.66</u>
TOTAL				<u>25,284.46</u>	<u>25,284.46</u>

Exhibit 3



ELM Solutions

2022 Real Rate Report[®]

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

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Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors¹ that drive rates²:

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

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

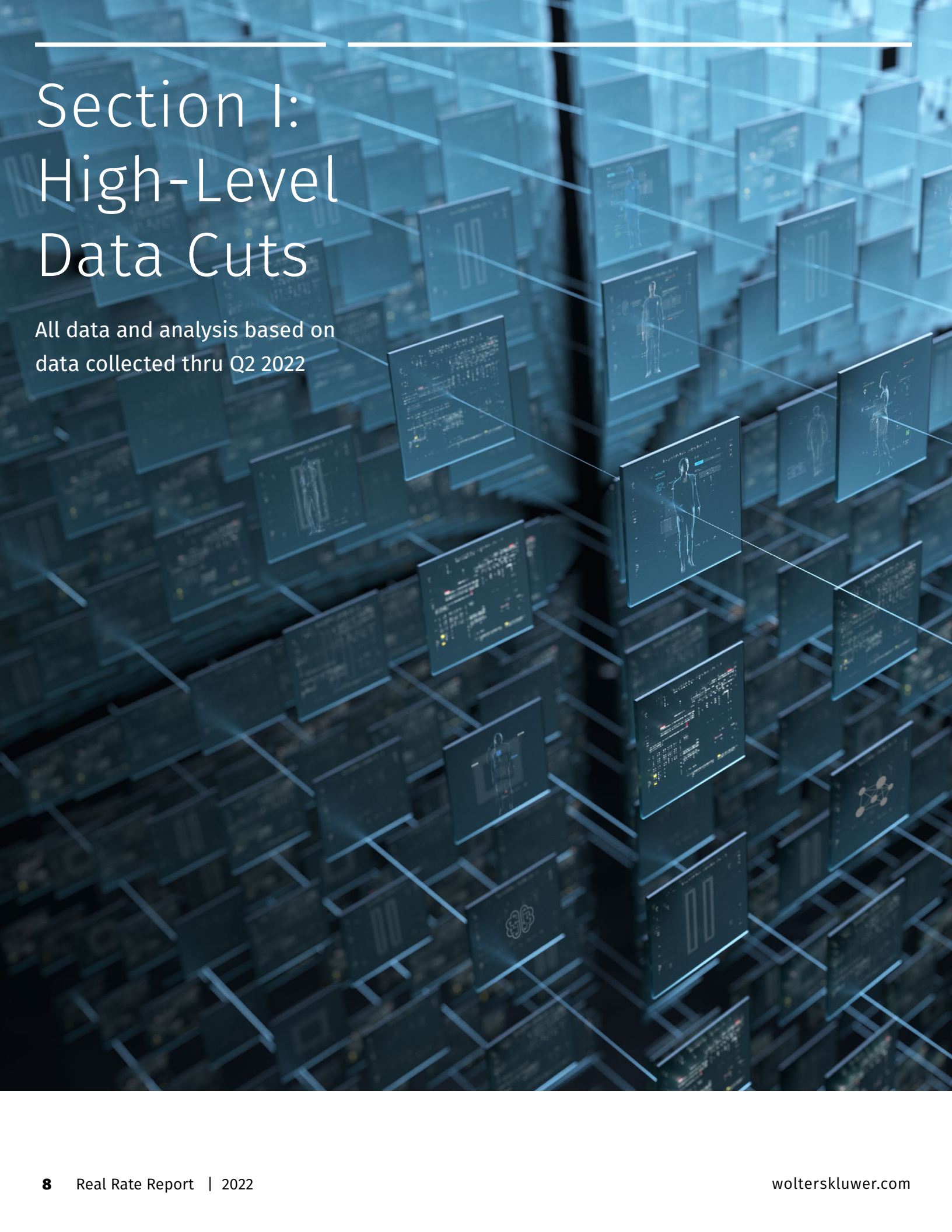
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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

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

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

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

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



Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

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

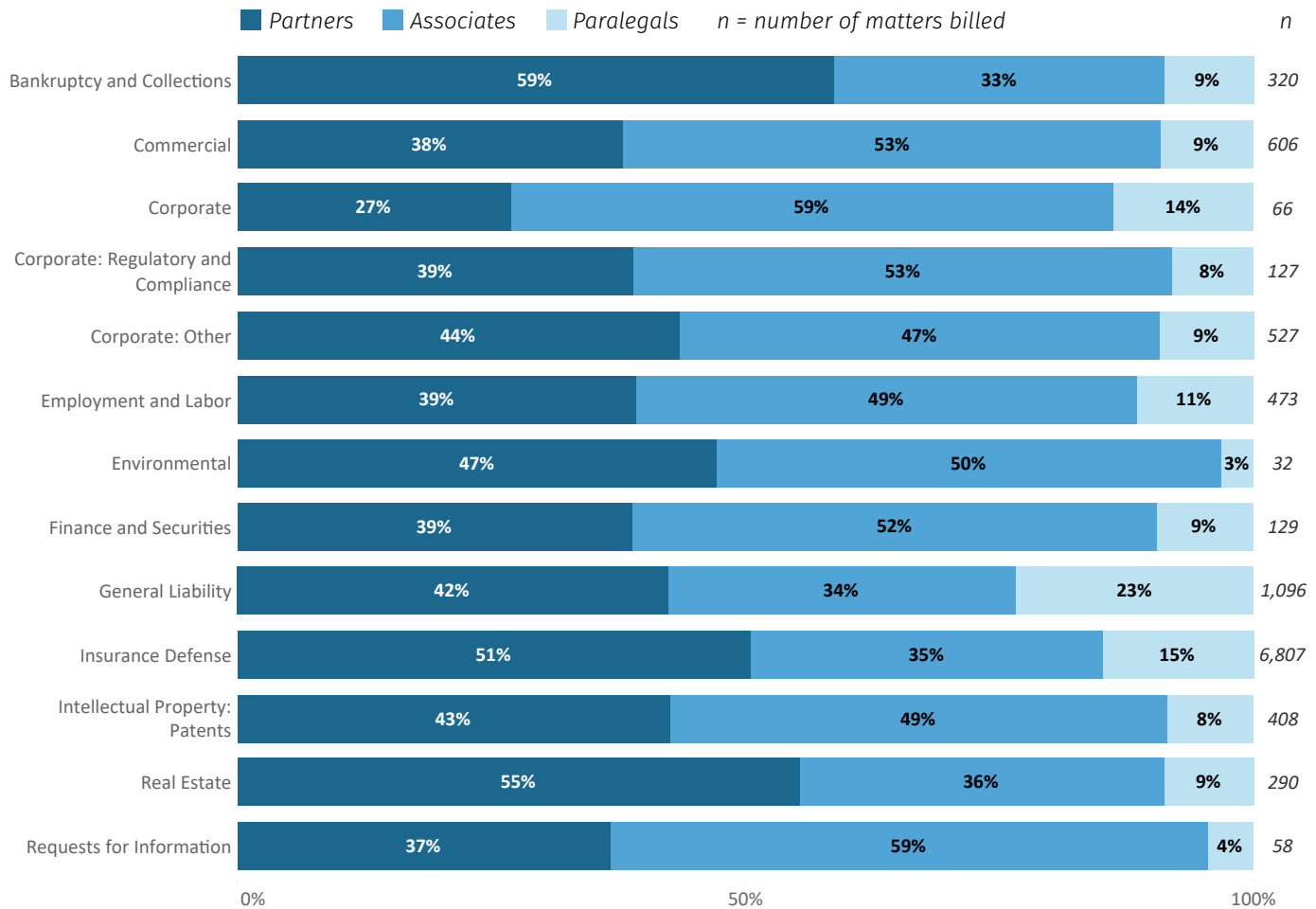
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate¹

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

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

Employment and Labor

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

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

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

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

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

General Liability

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

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

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

Exhibit 4

Free Newsletter Sign Up

Business & Practice

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

By Roy Strom

Column

June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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



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

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Documents

[Trustee's Objection](#)

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

Executed on January 16, 2025, at Los Angeles, California.


Sandy S. Sespene