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

JADE BROOKS, individually, and on behalf of
all others similarly situated,

Plaintiff,

v.

BAD BAKERS INC DBA BAD BAKERS, a
California corporation; BAD STARS INC, a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 34-2022-00332118-CU-OE-GDS
Assigned to Hon. Lauri A. Damrell, Dept. 22

Complaint filed: December 29, 2022
FAC filed: November 12, 2025
Trial date: Not set

CLASS & REPRESENTATIVE ACTION

**DECLARATION OF LUCY NGUYEN IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

[Filed concurrently with: Plaintiff's Notice of
Motion and Motion for Preliminary Approval of
Class Action and PAGA Settlement]

Reservation No. A-332118-002

PRELIMINARY APPROVAL HEARING

Date: July 24, 2026
Time: 9:00 a.m.
Dept: 22

1 I, Lucy Nguyen, declare as follows:

2 1. I am admitted and in good standing, to practice as an attorney in the State of
3 California. I am a Settlement Attorney at Wilshire Law Firm, PLC (“WLF”), counsel of record for
4 Plaintiff Jade Brooks (“Plaintiff” or “Class Representative”). I, along with Conor Gomez and Alan
5 Wilcox of WLF, have reviewed the case files for this matter as routinely kept by WLF in the course
6 of litigation and conferred with my colleagues, Christina Le and Tyler J. Woods of WLF, who
7 litigated this matter, (collectively and inclusively “Class Counsel”). Class Counsel has reviewed
8 the Court's Checklist for Approval of Class Action and/or Private Attorneys General Act ("PAGA")
9 Settlements and prepared the moving papers in compliance with the checklist. Based upon the
10 information available to Class Counsel through WLF’s record-keeping processes, I am competent
11 to make this declaration (this “Declaration”). This Declaration is submitted concurrently with and
12 in support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement
13 (the “Motion”).

14 CASE BACKGROUND

15 2. This is a wage and hour class action and Private Attorneys General Act (“PAGA”)
16 (Cal. Lab. Code §§ 2699, *et seq.*) representative action between Plaintiff and Defendant Bad
17 Bakers, Inc. (“Defendant,” and together with Plaintiff, the “Parties”) (the “Action”). Plaintiff and
18 the putative class members worked in California as hourly, non-exempt employees for Defendant
19 (each a “Class Member” and collectively the “Class”) between December 29, 2018, and October
20 10, 2024 (the “Class Period”). Defendant primarily operates in the retail bakery business/industry
21 within the Food Stores Sector.

22 3. Plaintiff alleges that Defendant’s payroll, timekeeping, and wage and hour
23 practices resulted in Labor Code violations. Specifically, Plaintiff alleges that Defendant failed
24 to pay for all hours worked, failed to provide employees with legally compliant meal and rest
25 periods, failed to pay timely wages at termination, failed to furnish accurate wage statements,
26 and Defendant failed to reimburse business expenses.

27 4. Based on these allegations, on December 29, 2022, Plaintiff filed a putative wage
28 and hour class action complaint against Defendant for: (1) failure to pay minimum and straight

1 time wages (Labor Code §§ 204, 1194, 1194.2, and 1197); (2) failure to pay overtime wages
2 (Labor Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and
3 512); (4) failure to authorize and permit rest periods (Labor Code § 226.7); (5) failure to timely
4 pay final wages at termination (Labor Code §§ 201-203); (6) failure to provide accurate itemized
5 wage statements (Labor Code § 226); (7) failure to indemnify employees for expenditures
6 (Labor Code § 2802); and (8) unfair business practices (Business and Professions Code §§
7 17200, *et seq.*). Plaintiff sent a notice to Defendant and the California Labor & Workforce
8 Development Agency (“LWDA”) alleging similar wage and hour violations pursuant to the
9 PAGA on January 13, 2023. On November 12, 2025, Plaintiff filed a PAGA representative
10 action complaint against Defendant for civil penalties under PAGA.

11 DISCOVERY, INVESTIGATION, AND SETTLEMENT

12 5. Following the filing of the Action, the Parties exchanged documents and
13 information before going to mediation. Defendant produced a sample of time and pay records for
14 Class Members. Defendant also provided documents of its wage and hour policies and practices
15 during the Class Period, and information regarding the total number of current and former
16 employees in its informal discovery responses.

17 6. After reviewing documents regarding Defendant’s wage and hour policies and
18 practices and analyzing Defendant’s timekeeping and payroll records, Class Counsel was able to
19 evaluate the probability of class certification, success on the merits, and Defendant’s maximum
20 monetary exposure for all claims. Class Counsel also investigated the applicable law regarding the
21 claims and defenses asserted in the Action. Class Counsel reviewed these records and utilized an
22 expert to prepare a damages analysis prior to mediation.

23 SETTLEMENT NEGOTIATIONS

24 7. On November 9, 2023, the Parties participated in a private mediation with
25 experienced class action mediator Hon. Raul A. Ramirez (Ret.). The mediation was conducted via
26 Zoom. The settlement negotiations were at arm’s length and, although conducted in a professional
27 manner, were adversarial. In evaluating the settlement, I also considered information discussed
28 during mediation regarding Defendant’s financial condition. During the mediation process, the

1 parties discussed concerns regarding Defendant's financial ability to withstand a significantly
2 larger judgment. Based on these discussions, I understood that Defendant may face financial
3 constraints that could affect its ability to satisfy a substantially larger judgment. I considered these
4 issues when evaluating whether the proposed settlement represents a fair and reasonable
5 compromise. The Parties went into the mediation willing to explore the potential for a settlement
6 of the Action, but the Parties were also prepared to litigate their position through trial and appeal
7 if a settlement had not been reached. While Parties were unable to resolve this Action during the
8 November 9, 2023, mediation with the help of Judge Ramirez, the Parties were subsequently able
9 to reach an agreement on general settlement terms and executed a Memorandum of Understanding
10 on July 7, 2025.

11 8. After extensive negotiations and discussions regarding the strengths and
12 weaknesses of Plaintiff's claims and Defendant's defenses, the Parties reached a settlement for
13 \$125,000.00 (the "Gross Settlement Amount"), the material terms of which are encompassed
14 within the Class Action and PAGA Settlement Agreement and Class Notice (the "Settlement" or
15 "Settlement Agreement"). A true and correct copy of the Settlement Agreement is attached as
16 **Exhibit 1.**

17 9. Class Counsel submitted the proposed Settlement to the LWDA before filing the
18 Motion. A true and correct copy of Plaintiff's PAGA notice letter to the LWDA and evidence the
19 settlement was provided to the LWDA is attached as **Exhibit 2.**

20 10. WLF requested several bids from experienced class action settlement administrators
21 to serve as the settlement administrator for this Settlement. The Parties accepted the bid of Phoenix
22 Class Action Administration Solutions (the "Settlement Administrator") which was the lowest out
23 of the multiple bids sought. The Settlement Administrator has multiple years of experience in the
24 field of Class Action Administration, particularly in the wage and hour arena. In its bid, the
25 Settlement Administrator agreed to cap its costs at \$9,000.00 for 394 Class Members. The
26 Settlement Administrator's bid accounts for serving the class notice in English and Spanish. A true
27 and correct copy of the bid is attached as **Exhibit 3.**

1 11. Plaintiff does not have any interest, financial or otherwise, in the Settlement
2 Administrator.

3 12. No one at WLF (meaning the law firm itself and anyone employed at the law firm)
4 has any interest, financial or otherwise, in the Settlement Administrator.

5 13. WLF has no fee-splitting agreement with any other counsel in this case.

6 THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

7 14. Based on the foregoing discovery and independent investigation and evaluation,
8 Class Counsel is of the opinion that the Settlement is fair, just, reasonable, and adequate and is in
9 the best interests of the Class Members in light of all known facts and circumstances, the risk of
10 significant delay, the defenses that could be asserted by Defendant both to certification and on the
11 merits, trial risk, and appellate risk.

12 15. Based on an analysis of the facts and legal contentions in this case, documents and
13 information from Defendant, Class Counsel evaluated Defendant's maximum exposure. We took
14 into account the risk of not having the claims certified and the risk of not prevailing at trial, even
15 if the claims are certified. After using the data Defendant provided, including Class Member
16 timekeeping and payroll records, as well as Class Member demographics (i.e., the number of Class
17 Members, "Workweeks" (any week during which a Class Member worked for Defendant for at
18 least one day during the Class Period), PAGA Pay Periods (any week during which a PAGA
19 Member worked for Defendant for at least one day during the PAGA Period and average total
20 compensation of the Class), with the assistance of a statistics expert, Class Counsel created a
21 damages model to evaluate the realistic range of potential recovery for the Class. The damages
22 model is based on the following benchmarks:

23 Total Class Members: 394

24 Terminated Class Members during 3-year statute of limitations period: 205

25 Total Workweeks: 5,132

26 PAGA Pay Periods: 3,400

27 PAGA Eligible Employees: 210

28 Avg. Hourly Rate: \$16.50

1 16. Based on Plaintiff’s discovery and investigation, Class Counsel reached the
2 conclusion that Defendant had a policy and practice of: requiring its employees to work “off-the-
3 clock” prior to clocking in for the workday, during meal periods, and after clocking out for the
4 workday, time which it did not pay for; not providing its employees with California compliant
5 meal and rest periods, which it did not pay appropriate premiums for; and failing to reimburse its
6 employees for business-related expenses. Defendant denies these claims.

7 17. In evaluating the proposed settlement, Class Counsel prepared a damages model
8 using Defendant’s payroll and timekeeping data and applied conservative assumptions designed to
9 approximate realistic provable damages rather than theoretical maximum exposure. The analysis
10 was anchored to 2022, the only complete year of data available. The data shows that after
11 Defendant retained counsel in late December 2022, the frequency of potential violations declined
12 significantly, suggesting that Defendant modified its practices thereafter. Accordingly, later
13 periods were discounted in the analysis. Using Defendant’s records, Class Counsel estimated
14 approximately 5,132 workweeks during the class period and applied the average hourly rate
15 reflected in the payroll data of approximately \$16.50 per hour.

16 18. Based on these records and conservative assumptions designed to account for
17 litigation risk, Class Counsel estimated Defendant’s realistic exposure for the underlying wage
18 claims to be approximately \$63,560.67. Class Counsel also adjusted the assumptions underlying
19 the damages calculations to reflect litigation risk, including reducing meal and rest break violation
20 rates to account for possible waivers, overlapping violation categories, and the absence of reliable
21 rest-period time records. Off-the-clock work was conservatively modeled at approximately ten
22 minutes per shift.

23 19. Using these assumptions, Class Counsel estimated Defendant’s potential exposure
24 for unpaid work time by assuming that such time should have been paid at the overtime rate, rather
25 than minimum or straight time wages, and that Defendant is liable for approximately 0.1667 hours
26 (10 minutes) of unpaid worktime per workweek. This yields a theoretical maximum exposure of
27 \$21,173.73 (5,132 weeks * \$16.50 hourly average rate * 1.5 overtime rate * 0.1667 hours of unpaid
28 work per week). However, this figure was discounted by 80% to account for the difficulty of

1 prevailing on a motion for class certification and at trial, particularly because liability depends on
2 whether Defendant knew or should have known that Class Members were working off-the-clock,
3 yielding a realistic damage estimate of \$4,234.75.¹

4 20. With respect to the meal period claim, Plaintiff alleges that Defendant required
5 Plaintiff and similarly situated Class Members to either work in lieu of taking meal periods, or
6 their meal periods were untimely or interrupted. Our expert analyzed Defendant's timekeeping
7 records and opined that approximately 80% of all meal breaks had violations of short, missed, or
8 no meal periods (accounting for waivable shifts and meal period premiums paid). Potential liability
9 for the meal period claim is \$135,484.80 (5,132 weeks * 80% * \$16.50*2). We discounted this
10 figure by 80% to account for the difficulty of certifying and proving meal period claims, as well
11 as Defendant's contention that the claim lacks merit, particularly in light of its numerous meal
12 period premium payments, yielding a realistic damage estimate of \$27,096.96.

13 21. With respect to the rest period claim, Plaintiff alleges that Defendant required them
14 and similarly situated class members to work in lieu of taking rest periods, or their rest periods
15 were interrupted. Because Defendant did not maintain reliable records of rest periods, Class
16 Counsel estimated exposure of \$135,484.80, Defendant's potential liability for the rest period
17 claim (5,132 weeks * 80% * \$16.50 * 2); however, we discounted this figure by 80% to account
18 for the difficulty of certifying and proving rest period claims, particularly because rest periods do
19 not have to be recorded, and to account for the possibility of class members voluntarily choosing
20 to forego a rest period, yielding a realistic damage estimate of \$27,096.96.

21 22. Plaintiff also alleges that Defendant failed to reimburse necessary business
22 expenses. Plaintiff and similarly situated Class Members were frequently required to use their
23 personal cell phones to communicate with their supervisors and managers about work-related
24 duties such as scheduling, shift coverage, and operational updates. In addition, employees were
25 expected to purchase and wear company- branded shirts and other work apparel such as aprons

26
27 ¹ An 80% discount for risk at certification and trial is reasonable because the Judicial Council of California
28 found that only 21.4% of all class actions were certified either as part of a settlement *or* as part of a contested
certification motion. *See* Findings of the Study of California Class Action Litigation, 2000-2006, available at <http://www.courts.ca.gov/documents/class-action-lit-study.pdf>.

1 which were not reimbursable until after completion of a probationary period, if reimbursed at all.
2 For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the
3 Class, we estimated that Defendant was liable to each Class Member for \$20 per month, or \$5.00
4 per workweek for reimbursement expenses, for a total amount of \$25,660.00 ($\$5.00 \times 5,132$).
5 However, we discounted this figure by 80% to account for the difficulty of certifying and proving
6 expense reimbursement claims, particularly in light of written policies and practices providing a
7 mechanism for class members to seek reimbursement, yielding a realistic damage estimate of
8 \$5,132.00.

9 23. These figures reflect conservative assumptions and litigation-risk discounts
10 designed to approximate realistically provable damages rather than theoretical maximum exposure.
11 In sum, we estimated that Plaintiff's realistic estimated recovery for the non-penalty claims is
12 \$63,560.67. Indeed, the Gross Settlement Amount represents approximately 48% of the realistic
13 maximum recovery of \$263,419.42.

14 24. With respect to Plaintiff's derivative claims for statutory and civil penalties,
15 Plaintiff estimated that Defendant's realistic potential liability, after applying litigation-risk
16 discounts, is \$199,858.75. While Defendant's maximum potential liability for waiting time
17 penalties is \$329,793.75, assuming liability for approximately 50% of the 205 terminated class
18 members to account for litigation risk regarding willfulness during the 3-year statute of limitations
19 period ($205 \times 50\% \times \$16.50 \times 6.5 \text{ hours} \times 30 \text{ days}$); inaccurate wage statements is \$329,500.00
20 based on approximately 210 class members who worked approximately 3,400 pay periods within
21 the 1-year statute of limitations period ($(\$50 \times 210) + (\$100 \times 3,190)$) and PAGA violations
22 \$340,000.00 based on the Court assessing a \$100 penalty for initial violations for all 3,400 pay
23 periods within the 1-year statute of limitations period, we believe that it would be unrealistic to
24 expect the Court to award the full \$999,293.75 in penalties given Defendant's defenses, the
25 contested nature of Plaintiff's claims, and the discretionary nature of penalties. Weighing these
26 factors and applying a discount of 80% to account for the risk and uncertainty of prevailing at trial
27 and the Court's discretionary ability to lower penalties, we arrived at \$199,858.75 for statutory and
28 civil penalties.

1 25. Using these estimates, Class Counsel calculated that Defendant’s realistic maximum
2 exposure for all claims is approximately \$263,419.42, consisting of approximately \$63,560.67 in
3 underlying wage claims and approximately \$199,858.75 in statutory and civil penalties. The
4 \$125,000 Gross Settlement Amount therefore represents approximately 48% of the estimated
5 recovery ($\$125,000 \div \$263,419.42$). This represents a substantial recovery given the litigation risks
6 present in this case. In particular, continued litigation would require Plaintiff to obtain class
7 certification and prove liability for off the clock work, meal period violations, and rest period
8 violations, each of which presents significant evidentiary challenges. Moreover, recovery of the
9 full amount of statutory penalties would depend on the Court’s discretion not to reduce penalties
10 under Labor Code section 2699(e)(2). Considering these risks, the settlement represents a strong
11 recovery for the Class.² Indeed, because of the Settlement, Class Members will receive timely,
12 guaranteed relief and will avoid the risk of an unfavorable judgment.

13 26. While Plaintiff is confident in the merits of their claims, a legitimate controversy
14 exists as to each cause of action. Plaintiff also recognizes that proving the amount of wages due to
15 each Class Member would be an expensive, time-consuming, and uncertain proposition.

16 27. This Settlement avoids the risks and the accompanying expenses of further
17 litigation. Although the Parties had engaged in significant amount of investigation, informal
18 discovery and Class-wide data analysis, the Parties had not yet completed formal written discovery.
19 Plaintiff intended to depose corporate officers and managers of Defendant. Moreover, preparation
20 for a class certification and a trial remained for the Parties as well as the prospect of appeals in the
21 wake of a disputed class certification ruling for Plaintiffs and/or adverse summary judgment ruling.
22 Had the Court certified the claims, Defendant could have moved to decertify them. As a result, the
23 Parties would incur considerably more attorneys’ fees and costs through trial.

24
25
26 ² See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019) 2019 WL 3943859 at
27 *8 (granting preliminary approval where the proposed allocation to settle class claims was between 9.53 percent of
28 Plaintiffs’ maximum recovery); *Bravo v. Gale Triangle, Inc.* (C.D. Cal. Feb 16, 2017) 2017 WL 708766 at * 10
(finding that “a settlement for fourteen percent recovery of Plaintiffs’ maximum recovery is reasonable”); *In re*
Omnivision Techs., Inc. (N.D. Cal. 2008) 559 F.Supp.2d 1036, 1042 (approving settlement amount that “is just over
9% of the maximum potential recovery asserted by either party.”).

1 28. As a result of the Settlement, the net settlement amount to be split amongst the Class
2 is the Gross Settlement Amount minus:

- 3 a. \$41,666.67 for Class Counsel's attorneys' fees (the "Class Counsel Fees
4 Payment");
- 5 b. \$20,000.00 for Class Counsel's litigation expenses (the "Class Counsel
6 Litigation Expenses Payment");
- 7 c. \$9,000.00 in administration costs (the "Settlement Administrator Costs
8 Payment");
- 9 d. \$12,500.00 for the allocated amount of the PAGA penalties payable to the
10 LWDA (the "LWDA PAGA Payment");
- 11 e. \$3,125.00 for the allocated amount of the PAGA penalties payable to the
12 Aggrieved Employees ("Individual PAGA Payment"); and
- 13 f. \$5,000.00 for the service award to Plaintiff for serving as the Class
14 Representative (the "Class Representative Service Award")
15 (the "Net Settlement Amount").

16 29. The Net Settlement Amount is estimated to be approximately \$36,833.33 for the
17 Class. As a result, each Class Member is eligible to receive an average net benefit of approximately
18 \$93.49. When considering the risks of litigation, the uncertainties involved in achieving class
19 certification, the burdens of proof necessary to establish liability, the probability of appeal of a
20 favorable judgment, it is clear that the Settlement is within the "ballpark" of reasonableness, and
21 preliminary settlement approval is appropriate.

22 CLASS REPRESENTATIVE SERVICE AWARD IS REASONABLE

23 30. Class Counsel represents that Plaintiff devoted a great deal of time and work
24 assisting Class Counsel in the Action.

25 31. Throughout the Action, Plaintiff has cooperated immensely with Class Counsel and
26 has taken many actions to protect the interests of the Class. Plaintiff provided valuable information
27 regarding the off-the-clock, meal period, and rest period claims. Plaintiff also informed Class
28 Counsel of developments and information relevant to the Action, participated in decisions

1 concerning the Action, and Plaintiff was available to answer questions during the mediation.
2 Before Class Counsel filed the Action, Plaintiff provided Class Counsel with documents regarding
3 the claims alleged in the Action. The information and documentation provided by Plaintiff was
4 instrumental in establishing the wage and hour violations alleged in the Action, and the recovery
5 provided for in the Settlement Agreement would have been impossible to obtain without Plaintiff's
6 participation.

7 32. At the same time, Plaintiff faced many risks in serving as the Class Representative
8 in the Action. Plaintiff faced actual risks with their future employment since being named on public
9 record in an employment lawsuit could also very well affect a person's ability to procure future
10 employment. Furthermore, as part of the Settlement, Plaintiff is executing general release of all
11 claims against Defendant.

12 33. In turn, Class Members will now have the opportunity to participate in the
13 Settlement, which reimburses them for alleged wage violations they may have never known about
14 on their own or been willing to pursue on their own. If the Class Members would have each tried
15 to pursue their legal remedies on their own, that would have resulted in each Class Member
16 expending a significant amount of their own monetary resources and time, which were obviated
17 by Plaintiff serving as Class Representative on behalf of the other Class Members.

18 34. In the final analysis, this Action would not have been possible without the aid of
19 Plaintiff, who put their own time and effort into the Action, sacrificed the value of their own
20 individual claims, and placed assumed risks for the sake of the Class. The Class Representative
21 Service Award for Plaintiff's service and general release of all individual claims is a relatively
22 small amount of money given the time and effort Plaintiff put into the Action and in comparison
23 to service awards granted to named plaintiffs in similar class actions. The Class Representative
24 Service Award is therefore reasonable to compensate Plaintiff for their active participation in this
25 lawsuit.

26 THE REQUEST FOR CLASS COUNSEL FEES AND COSTS IS REASONABLE

27 35. I am informed and believe that the Class Counsel Fees Payment and Class Counsel
28 Litigation Expenses Payment are reasonable. The fee percentage requested is less than that charged

1 by Class Counsel for most employment cases. Class Counsel invested significant time and
2 resources into the Action, with payment deferred to the end, and then, of course, contingent on the
3 outcome.

4 36. It is further estimated that Class Counsel will need to expend at least another 10 to
5 15 hours to monitor the process leading up to the final approval and payments made to the Class.
6 Class Counsel also bears the risk of taking the necessary actions if Defendant fails to pay.

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

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

24 PLAINTIFF'S COUNSEL'S EXPERIENCE AND QUALIFICATIONS

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

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

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

7 CLASS COUNSEL’S EXPERIENCE

8 Tyler Woods Qualifications

9 41. Tyler J. Woods graduated from the University of California, Davis in 1999 with a
10 Bachelor of Arts degree in Communications with minors in Spanish and Psychology. He received
11 by Juris Doctor from USC Gould School of Law in 2004.

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

25 43. In late March 2024, Mr. Woods left Fisher Phillips and joined our current firm,
26 WLF, to represent plaintiff employees. He has been and is handling many wage and hour class
27 and representative actions litigating such matters on behalf of plaintiff employees in numerous
28

1 Superior Courts. From matters representing both plaintiff and defendants, he has successfully
2 mediated the resolution of many wage and hour class, collective, and representative actions.

3 44. In July 2025, he obtained a jury verdict in excess of \$6,000,000 in a wage and hour
4 case in Los Angeles Superior Court against Javier's Cantina & Grill (Los Angeles Superior Court
5 Case No. 19STCV36438).

6 45. Mr. Woods has received numerous awards for my legal work. For example, from
7 2009-2011 and 2014, he was listed as a Rising Star in Los Angeles Super Lawyers (Thomas
8 Reuters). He has also served on numerous prominent boards and in other leadership positions,
9 including currently serving on the board of the Orange County Chapter of the California
10 Restaurants Association.

11 46. He has also presented monthly webinars on labor and employment issues to
12 hundreds of participants since 2022, including on wage and hour issues. For example, he presented
13 "10 Reasons Employers Get Sued (and How to Avoid These Mistakes)" (while a partner with Fisher
14 Phillips) and "Key Insights for Hospitality Employers: Arbitration Agreements 101" (while a
15 partner with Fisher Phillips). The reasonableness of his hourly rates is also supported by several
16 surveys of legal rates, including the following:

- 17 a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which
18 presents the real market rates of Los Angeles area attorneys who practice
19 litigation. For that category, the third quartile 2022 rate was \$1,045 per hour
20 for partners and \$855 for associates. Likewise, page 32 of the Report describes
21 the rates charged by 183 Los Angeles partners with "21 or more years of
22 experience" and "Fewer than 21 years." For those categories, the third quartile
23 Los Angeles partner rate in 2022 were \$1,133 per hour for 21 or more years
24 and \$1,075 for attorneys with fewer than 21 years. A true and correct copy of
25 portions of the 2022 Real Rate Report is attached hereto as **Exhibit 4**.
- 26 b. In an article entitled "Big Law Rates Topping \$2,000 Leave Value 'In Eye of
27 Beholder,'" written by Roy Strom and published by Bloomberg Law on June
28 9, 2022, the author describes how Big Law firms have crossed the \$2,000-per

1 hour rate. The article also notes that law firm rates have been increasing by
2 just under 3% per year. A true and correct copy of this article is attached
3 hereto as **Exhibit 5**.

4 Alan Wilcox Qualifications

5 47. Alan Wilcox obtained his Bachelor's degree from the University of California,
6 Berkeley in 2007. He graduated from Pepperdine University's School of Law and became a
7 member of the California State Bar in 2012.

8 48. Throughout Mr. Wilcox's career up until his employment at WLF, he was
9 essentially continuously employed as a civil litigation attorney at multiple law firms. He has
10 represented clients in both state and federal Courts in a wide variety of matters, including contract
11 disputes, wrongful foreclosure, unlawful detainer, divorce, product defect, tort, and employment.

12 49. From 2014 to the present, Mr. Wilcox has been exclusively practicing complex civil
13 litigation representing plaintiff employees in employment matters. In that time, he has become an
14 expert in the field. Mr. Wilcox has handled both individual wrongful discharge and collective
15 wage and hour actions, with class action and PAGA matters including *Flores v. Aqua Terra*
16 *Culinary, Inc.*, Monterey Superior Court Case No. 17CV002672, *Garcia v. Construction*
17 *Innovations Group, LLC*, Sacramento Superior Court Case No. 34-2020-00285239, *Kim v.*
18 *Sheraton Operating Corp.*, Central District of California Case No. 2:17-cv-09247-FMO-E, *Pease*
19 *v. Wattrans, Inc.*, San Bernardino Superior Court Case No. CIVDS1919832, and *Lachman v.*
20 *Berlitz Languages, Inc.*, Los Angeles Superior Court Case No. 19STCV01533, among others.

21 50. Mr. Wilcox used his programming skills to create complex systems for
22 automatically performing in-depth analyses of employment records to identify wage and hour
23 violations in both individual and collective action settings. He has tried several matters, including
24 multiple employment cases and multiple non-employment cases. His expertise has resulted in
25 obtaining multiple millions of dollars for his clients. He strives to represent individuals struggling
26 to enforce their rights and recover what is owed to them from employers who violate California
27 law. At WLF, he is a Senior Attorney charged with taking resolved class action and PAGA matters
28

1 and ensuring that they are carried through the approval and distribution process in an efficient
2 manner and in compliance with Court orders.

3 51. Mr. Wilcox's current hourly billing rate is \$900.00 per hour. This hourly rate is
4 reasonable and appropriate, given his background and experience. He is generally familiar with
5 hourly rates charged by attorneys in both Southern and Northern California whose training and
6 experience are similar, and believes this rate is competitive in both markets for attorneys.

7 52. Indeed, a commonly used metric for determining reasonable attorney fee rates based
8 upon years of experience, the Laffey Matrix (<http://www.laffeymatrix.com/see.html>), indicates
9 that it would be reasonable for Mr. Wilcox to charge approximately \$948.00 per hour. Prior to
10 taking on a Senior Attorney role at WLF, for multiple years his hourly billing rate stagnated at
11 \$650.00 per hour, following Judge Upinder S. Kalra granting the plaintiff's post-trial motion for
12 attorneys' fees and approving hours and rate billed in the matter of *Parker v. Innovative Speech*
13 *Therapy and Communications Servs., Inc.*, Los Angeles Superior Court Case No. 19STCV36310,
14 and when Judge Kory Mathewson approved Mr. Wilcox's fee rate for a default judgment in *Segura*
15 *v. Beyond Staffing Solutions, Inc.*, San Bernardino Superior Court Case No. CIVDS1908672.
16 While working for WLF, Mr. Wilcox has been repeatedly approved as class counsel and his hourly
17 billing rate has been approved for many class and PAGA action settlements.

18 Connor Gomez Qualifications

19 53. Conor J.D. Gomez is a fifth-year Settlement Attorney at WLF. Mr. Gomez is
20 responsible for finalizing resolved class action and PAGA matters, ensuring that they are carried
21 through the approval and distribution process in an efficient manner and in compliance with court
22 orders. He graduated from the University of California, Los Angeles School of Law in May 2020.
23 Mr. Gomez passed the California Bar Examination on his first attempt and was admitted to practice
24 in May 2021. He is admitted to practice law in the State of California and before the Northern
25 District of California.

26 54. Mr. Gomez also serves as an adjunct professor at the Thomas Jefferson School of
27 Law in San Diego, California, and he acts as a Bar Exam Preparation mentor to law students
28 throughout San Diego. He graduated from the University of California, San Diego in 2017 with a

1 Bachelor of Arts in Sociology, concentrating in Law & Society. During law school, Mr. Gomez
2 obtained credentials in course design, teaching innovation and technology, and business
3 administration from the University of California, Irvine. He was awarded the Masin Family
4 Foundation Gold Award in recognition of his academic performance in law school.

5 55. Mr. Gomez began his legal career representing both for-profit and non-profit/tax-
6 exempt organizations. He draws on that experience to achieve strong results for his clients, having
7 represented businesses and understanding their perspectives. He has practiced plaintiff-side
8 employment litigation for several years and has a strong record of securing settlements in
9 individual wage-and-hour and FEHA matters, with results regularly reaching the six-figure range.
10 Throughout his career, Mr. Gomez has worked with multiple firms, taking on increasing
11 responsibility and mentoring dozens of new attorneys in employment law fundamentals and
12 litigation strategy to achieve efficient and favorable outcomes. He transitioned into his current role
13 at WLF to capitalize on his strengths in settlement negotiations, workflow optimization, and
14 drafting clear and concise agreements and motions, with the goal of achieving maximal results for
15 larger classes of workers.

16 56. Mr. Gomez has served on the board of directors for local arts organizations and
17 regularly hosts workshops throughout Southern California. He has guest lectured at the University
18 of California, Irvine on various legal topics. He is also a certified mediator and serves on the
19 California Lawyers for the Arts mediation panel, where he volunteers his time to mediate a wide
20 range of disputes, including artistic business and ownership matters as well as employment
21 disputes.

22 57. Mr. Gomez has been appointed as class counsel in wage-and-hour matters
23 throughout California, including most recently in *Lucero v. Nissho of California, Inc.*, Case No.
24 37-2021-00001528-CU-OE-CTL, consolidated with Case No. 37-2022-00012006-CU-OE-CTL,
25 Motion for Final Approval granted on February 20, 2026.

26 Lucy Nguyen's Qualifications

27 58. I am a Settlement Class Action Attorney where I represent employees in complex
28 wage-and-hour class and representative actions under California and federal labor laws. My

1 practice focuses on wage and hour violations, Private Attorneys General Act (“PAGA”) matters,
2 retaliation, discrimination, wrongful termination, and class action settlements. I earned my Juris
3 Doctor from John F. Kennedy University, School of Law, in 2011, where I participated in the
4 Housing Clinic and Legal Aid for the Tenants’ Union. I was admitted to the State Bar of California
5 in 2021. I earned a Bachelor of Science degree in Business Management from San Francisco State
6 University, School of Business, and was recognized on the Dean’s List.

7 59. I bring five years of litigation experience to my practice, including substantial
8 experience in both employment law and family law. I’ve managed high-volume statewide
9 caseloads involving wage-and-hour, discrimination, harassment, retaliation, and wrongful
10 termination matters. In that capacity, I drafted and negotiated hundreds of demand letters, analyzed
11 complex statutory violations including meal and rest break claims and misclassification issues, and
12 assisted in securing millions of dollars in settlements for employees. I also trained, onboarded, and
13 mentored junior attorneys and advised colleagues on statutory compliance and case valuation.

14 60. Earlier in my career, I practiced family law litigation and managed contested matters
15 from initial filing through trial, including discovery, motion practice, evidentiary hearings,
16 mediation, and trial preparation. I collaborated with forensic accountants and valuation experts in
17 high-asset divorce proceedings and handled complex custody and support disputes. In addition, I
18 served as a Self-Help Attorney with the Alameda County Superior Court, Family Law Facilitator
19 Program, at the Hayward Hall of Justice. In that role, I provided legal guidance to self-represented
20 litigants navigating family law proceedings and worked closely with court personnel to ensure
21 compliance with statutory and procedural requirements. This experience strengthened my
22 understanding of court processes, judicial expectations, and access-to-justice principles. This work
23 required disciplined case management, precise evidentiary preparation, and strategic courtroom
24 advocacy.

25 61. In addition to litigation practice, I served in an elected governance role within my
26 children’s public-school community, having been nominated and voted into the position by fellow
27 parents and teachers. In that capacity, I regularly attended school board meetings and worked
28 closely with county representatives, principals, administrators, and teaching staff to review funding

1 allocations and grant distributions. My role included ensuring that public funds were administered
2 in compliance with applicable state laws and regulatory requirements.

3 62. I am also a Certified Information Privacy Professional (CIPP/US) and have advised
4 businesses regarding compliance with federal and state regulatory requirements, including federal
5 tax and CARES Act-related regulations. In that role, I guided entrepreneurs and small businesses
6 through statutory compliance obligations and audit-risk mitigation, reinforcing my understanding
7 of regulatory frameworks and complex statutory schemes.

8 63. The litigation skills and meticulous document review, complex statutory analysis,
9 strategic case development, and persuasive advocacy, translate directly to wage-and-hour class and
10 representative litigation. I apply these skills in reviewing pleadings, analyzing payroll and
11 timekeeping records, preparing settlement documents, and ensuring that settlements comply with
12 California law and court approval standards. I am committed to representing working individuals
13 with diligence, integrity, and a deep respect for the rule of law.

14 Justin Marquez Qualifications

15 64. Justin F. Marquez is a former Senior Partner at Wilshire Law Firm who was actively
16 involved in the litigation and resolution of this matter from its inception through December 2024.
17 He graduated from University of California, Los Angeles's College Honors Program in 2004 with
18 Bachelor of Arts degrees in History and Japanese, magna cum laude and Phi Beta Kappa. His
19 practice focused primarily on advocating for the rights of consumers and employees in class action
20 litigation and appellate litigation. He received numerous awards for his legal work: from 2017 to
21 2020, Super Lawyers selected him as a "Southern California Rising Star," and from 2022 to 2025,
22 he was selected as a "Southern California Super Lawyer"; he was selected as one of the "Best
23 Lawyers in America" from 2023 to 2025; and in 2024, he, along with his colleagues at Wilshire
24 Law Firm, received a CLAY (California Lawyer Attorneys of the Year) award for their work on a
25 false advertising case against Apple which ultimately led to a \$25 million settlement. He also was
26 selected to speak at multiple CELA conferences throughout his career – in 2019, he spoke on the
27 topic of manageability of class actions at CELA's 2019 Advanced Wage & Hour Seminar, and in
28 2024, he spoke on the topic of dealings with multiple cases against the same defendant at CELA's

1 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead in negotiating class action
2 settlements worth over \$10 million in gross recovery to class members for each year since 2020,
3 including over \$37.5 million in 2022 and over \$75 million in 2023.

4 Arsiné Grigoryan Qualifications

5 65. Arsiné Grigoryan was an Associate Attorney at my office at Wilshire Law Firm who
6 was actively involved in the litigation and resolution of this matter from its inception through
7 December 2024. She earned two Bachelor of Arts degrees from the University of California,
8 Berkeley in (1) Political Science with an emphasis on international relations and (2) Media Studies.
9 She obtained her Juris Doctor degree from Southwestern Law School. She is presently admitted to
10 practice in all state courts of California (admitted in 2017) and before all federal district courts in
11 California. The focus of her practice at Wilshire Law Firm is currently on class action wage-and-
12 hour law, including Private Attorneys General Act of 2004 (“PAGA”) matters. Prior to joining
13 Wilshire Law Firm, PLC, she worked at a law firm specializing in wage-and-hour class action
14 cases. She is also handling more than a dozen active class action matters currently pending and
15 prosecuting multiple PAGA collective action matters in various courts throughout the State of
16 California.

17 Christina M. Le Qualifications

18 66. Christina M. Le was a Senior Attorney at Wilshire Law Firm. She is admitted to
19 practice in the State of California, the Ninth Circuit Court of Appeals, and the United States District
20 Courts for the Central, Southern, Eastern, and Northern Districts of California. She graduated from
21 Loyola Law School, Los Angeles, and attended the University of California, Berkeley for her
22 undergraduate studies, where she obtained a Bachelor of Arts in History. She has over 15 years of
23 litigation experience, which includes the successful handling of numerous employment, wage and
24 hour, and class and representative action matters during the latter half of his career in state and
25 federal court through inception through case resolution. Prior to joining Wilshire Law Firm in
26 November 2021, Ms. Le gained invaluable litigation experience working at various Plaintiffs and
27 defense firms, including Kristensen Weisberg PLC, Jones Bell LLP, Archer Norris PLC, and Lewis
28 Brisbois Bisgaard & Smith LLP. Ms. Le is a member of NELA, CELA, CAALA, LACBA, and the

1 Vietnamese Bar Association of Southern California, and has been a recognized speaker on wage
2 and hour topics for some of these organizations at various conferences and seminars.

3 Brooke Waldrop Qualifications

4 67. Brooke Wilkinson Waldrop was an Associate Attorney at my office. She received
5 her Juris Doctorate from the University of Utah S.J. Quinney College of Law. During law school,
6 Brooke explored various areas of law with internships at the Disability Law Center, Victims Rights
7 Clinic, and the International Rights Advocates (Washington, D.C.). During her tenure at Wilshire
8 Law Firm, PLC, she handled dozens of wage and hour class action matters in various courts
9 throughout the State of California. Prior to joining Wilshire Law Firm, PLC, she worked at various
10 law firms specializing in wage-and-hour class action cases.

11 Dorota James Qualifications

12 68. Dorota A. James was an Associate Attorney at my office. She earned her master's
13 degree in law and business administration at the University of Wroclaw, where she received
14 recognition as an outstanding alumna. She also holds a J.S.D. degree in Comparative Law Studies
15 and a master's degree in German law from the University of Saarland (Germany). She then went
16 on to get an LL.M. degree in Comparative Law at the University of San Diego Law School. She
17 is presently admitted to practice in all state courts of California (admitted in 2016) and before all
18 federal district courts in California. Prior to joining Wilshire Law Firm in May 2024, Ms. James
19 gained invaluable litigation experience working at various Plaintiffs and defense firms, including
20 ShortLegal, APC, Tyson Mendes, LLP, and Dinsmore and Shohl, LLP. Ms. James' current
21 practice has been primarily focused on wage-and-hour class and representative action litigation
22 brought on behalf of employees. She also litigates discrimination and harassment cases as
23 individual and complex multi-party litigation.

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

26 Executed on March 17, 2026, in Livermore, California.

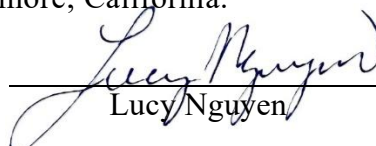
27 
28 _____
Lucy Nguyen

Exhibit 1

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Attorneys for Defendants Bad Bakers, Inc.

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

JADE BROOKS, individually, and on behalf
of all others similarly situated,

Plaintiff,

v.

BAD BAKERS INC DBA BAD BAKERS, a
California corporation; BAD STARS INC, a
California corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No. 34-2022-00332118-CU-OE-GDS

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

*Assigned for all purposes to: Hon. Lauri A.
Damrell, Dept. 28*

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Jade Brooks (“Plaintiff”) and Defendant Bad Bakers, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS**

1.1 “Action” means Plaintiff’s lawsuit alleging class action wage and hour violations against Defendant captioned *Jade Brooks v. Bad Bakers, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00332118-CU-OE-GDS, filed on December 29, 2022.

1.2 “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means all current and former hourly, non-exempt employees employed by Defendant in the State of California during the PAGA Period.

1.5 “Class” means all current and former hourly, non-exempt employees employed by Defendant in the State of California during the Class Period.

1.6 “Class Counsel” means Tyler J. Woods of Wilshire Law Firm, PLC.

1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will request approval from the Court of up to one-third (1/3) of the Gross Settlement Amount (currently \$41,666.67.00).

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$20,000.00, and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 “Class Period” or “Class Settlement Period” means the period from December 29, 2018 through October 10, 2024.

1.14 “Class Representative(s)” means the named Plaintiff Jade Brooks in the Action.

1.15 “Class Representative Service Payment(s)” or “Enhancement Award(s)” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.16 “Court” means the Superior Court of California, County of Sacramento.

1.17 “Defendant” means named Defendant Bad Bakers, Inc.

1.18 “Defense Counsel” means Alexander Medina of Medina McKelvey LLP.

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

1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 “Gross Settlement Amount” or “GSA” means \$125,000.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.28 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.30 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31 “Operative Complaint” means the First Amended Class and Representative Action Complaint filed in the Action on November 12, 2025.

1.32 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.33 "PAGA Period" means the period from January 13, 2022 through October 10, 2024.

1.34 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*).

1.35 "PAGA Notice" means Plaintiff's January 13, 2023 letter (LWDA-CM-929358-23) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.36 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$12,500.00), allocated 25% to the Aggrieved Employees (\$3,125.00) and 75% to LWDA (\$9,375.00) in settlement of PAGA claims.

1.37 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.38 "Plaintiff" means Jade Brooks, the named plaintiff in the Action.

1.39 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.40 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.41 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.42 "Released Parties" means Defendant and Defendant's officers, directors, employees and agents.

1.43 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.44 "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are

resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.45 “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

1.46 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS**

2.1 On December 29, 2022, Plaintiff filed a putative wage-and-hour class action on behalf of herself and all hourly-paid, non-exempt employees in California against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay all wages to terminated employees; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify for necessary business expenditures; and (8) violation of California’s Unfair Competition Law, California Business and Professions Code §§ 17200 *et seq.* On January 13, 2023, Plaintiff also sent notice to Defendant and the California Labor & Workforce Development Agency (“LWDA”) alleging similar wage-and-hour violations pursuant to PAGA, Cal. Lab. Code §§ 2699 *et seq.*

2.2 Defendant denies the allegations in the Action, denies any failure to comply with the laws identified in the Action, and denies any and all liability for the causes of action alleged in the Action.

2.3 On November 9, 2023, the Parties participated in an all-day mediation presided over by mediator the Hon. Raul Ramirez (Ret.). While the Parties were unable to resolve this Action during the November 9, 2023 mediation, with the help of Judge Ramirez the Parties were subsequently able to reach an agreement on general settlement terms and executed a Memorandum of Understanding thereafter.

2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Action. Prior to mediation, Plaintiff obtained and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy

documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.5 The Court has not granted class certification because the Parties engaged in mediation before any class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant will pay \$125,000.00 to fully settle, resolve, and extinguish all claims asserted in the Actions, including without limitation all claims asserted in the LWDA PAGA Notice. The Gross Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately. The Gross Settlement Amount is to be paid according to the following installment schedule:

3.1.1 \$65,000 to be paid 30 days after the Court issues an order approving Plaintiff's motion for final settlement approval; and

3.1.2 \$60,000 to be paid six months after the Court issues an order approving Plaintiff's motion for final settlement approval

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

3.2.1 To Plaintiff: A payment for the Enhancement Award to Plaintiff of not more than \$5,000.00 in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff's request for an Enhancement Award that

1 does not exceed this amount. As part of the motion for the Class Counsel Fees and
2 Litigation Expenses Payments, Plaintiff will seek Court approval for any Enhancement
3 Award no later than 16 (sixteen) court days prior to the Final Approval Hearing, or as
4 otherwise ordered by the Court. If the Court approves an Enhancement Award less than
5 the amount requested, the Administrator will retain the remainder in the Net Settlement
6 Amount to be distributed to Participating Class Members. The Administrator will pay the
7 Enhancement Award using IRS Form 1099. Plaintiff assumes full responsibility and
8 liability for employee taxes owed on the Enhancement Award.

9 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-
10 third (1/3) of the GSA, which is currently estimated to be \$41,666.67 and a Class Counsel
11 Litigation Expenses Payment for actual costs. Defendant will not oppose requests for these
12 payments. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees and
13 Litigation Expenses Payment no later than 16 (sixteen) court days prior to the Final
14 Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class
15 Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the
16 amounts requested, the Administrator will allocate the remainder to the Net Settlement
17 Amount for distribution to Participating Class Members. Released Parties shall have no
18 liability to Class Counsel or any other Plaintiff's counsel arising from any claim to any
19 portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses
20 Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel
21 Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full
22 responsibility and liability for taxes owed on the Class Counsel Fees Payment and the
23 Class Counsel Litigation Expenses Payment and holds Defendant harmless, and
24 indemnifies Defendant, from any dispute or controversy regarding any division or sharing
25 of any of these Payments.

26 3.2.3 To the Administrator: An Administrator Costs Payment for actual costs,
27 not to exceed \$9,000.00 except for a showing of good cause and as approved by the Court.
28 To the extent the Administration Costs are less or the Court approves payment of less than

1 requested, the Administrator will retain the remainder in the Net Settlement Amount to be
2 distributed to Participating Class Members.

3 3.2.4 To Each Participating Class Member: An Individual Class Payment is
4 calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks
5 worked by all Participating Class Members during the Class Period, and (b) multiplying
6 the result by each individual Participating Class Member's Workweeks.

7 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty
8 percent (20%) of each Participating Class Member's Individual Class
9 Payment will be allocated to the Settlement of wage claims (the "Wage
10 Portion"). The Wage Portion is subject to tax withholding and will be
11 reported on an IRS W-2 Form. The remaining 80% of each Participating
12 Class Member's Individual Class Payment will be allocated to the
13 settlement of claims for interest and penalties (the "Non-Wage Portion").
14 The Non-Wage Portions are not subject to wage withholdings and will be
15 reported on IRS 1099 Forms. Participating Class Members assume full
16 responsibility and liability for any employee taxes owed on their Individual
17 Class Payment.

18 3.2.4.2 Effect of Non-Participating Class Members on
19 Calculation of Individual Class Payments. Non-Participating Class
20 Members will not receive any Individual Class Payments. The
21 Administrator will retain amounts equal to their Individual Class Payments
22 in the Net Settlement Amount for distribution to Participating Class
23 Members on a pro-rata basis.

24 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount
25 of \$12,500.00 to be paid from the Gross Settlement Amount, with 75% (\$9,375.00)
26 allocated to the LWDA PAGA Payment and 25% (\$3,125.00) allocated to the Individual
27 PAGA Payments.
28

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$3,125.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. **SETTLEMENT FUNDING AND PAYMENTS**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant represents there are 394 Class Members who collectively worked a total of 5,132 workweeks during the Class Period.

4.2 Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

1 4.3 Funding of Gross Settlement Amount. Defendant shall fund \$65,000 of the Gross
2 Settlement Amount by transmitting the funds to the Administrator no later than 30 (thirty)
3 calendar days after the Effective Date. Defendant will then fund the remaining balance of \$60,000
4 and the amounts necessary to fully pay Defendant's share of employer-side payroll taxes by
5 transmitting the funds to the Administrator no later than six (6) months after the Effective Date.

6 4.4 Payments from the Gross Settlement Amount. Within seven (7) days after
7 Defendant fully funds the GSA, the Administrator will mail checks for all Individual Class
8 Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs
9 Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and
10 the Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class Counsel
11 Litigation Expenses Payment, and the Enhancement Award shall not precede disbursement of
12 Individual Class Payments and Individual PAGA Payments.

13 4.4.1 The Administrator will issue checks for the Individual Class Payments
14 and/or Individual PAGA Payments and send them to the Class Members via First Class
15 U.S. Mail. The face of each check shall prominently state the date (180 days after the date
16 of mailing) when the check will be voided ("Void Date"). The Administrator will cancel
17 all checks not cashed by the Void Date. The Administrator will send checks for Individual
18 Settlement Payments to all Participating Class Members (including those for whom the
19 Class Notice was returned undelivered). The Administrator will send checks for
20 Individual PAGA Payments to all Aggrieved Employees including Non-Participating
21 Class Members who qualify as Aggrieved Employees (including those for whom Class
22 Notice was returned undelivered). The Administrator may send Participating Class
23 Members a single check combining the Individual Class Payment and the Individual
24 PAGA Payment. Before mailing any checks, the Settlement Administrator must update
25 the recipients' mailing addresses using the National Change of Address Database.

26 4.4.2 The Administrator must conduct a Class Member Address Search for all
27 other Class Members whose checks are returned undelivered without USPS forwarding
28 address. Within seven (7) days of receiving a returned check, the Administrator must re-

mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

5. **RELEASES OF CLAIMS**

Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff discharges Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Actions; and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits,

1 social security benefits, workers' compensation benefits that arose at any time, or based on
2 occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or
3 law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be
4 true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects,
5 notwithstanding such different or additional facts or Plaintiff's discovery of them.

6 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
7 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions,
8 rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

14 5.2 Released Class Claims: All Participating Class Members will waive and release all
15 claims asserted in the Operative Complaint filed in the Class Action or that could have been
16 alleged based on the factual allegations asserted in the complaint filed in the Class Action during
17 the Class Period, including claims for: (1) Failure to Pay Minimum and Straight Time Wages
18 under California Labor Code §§ 204, 1194, 1194.2, and 1197 and the applicable Industrial
19 Welfare Commission ("IWC") Wage Order; (2) Failure to Pay Overtime Wages under California
20 Labor Code §§ 510, 1194 and 1198 and the applicable IWC Wage Order; (3) Failure to Provide
21 Meal Periods under California Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order;
22 (4) Failure to Authorize and Permit Rest Periods under California Labor Code § 226.7 and the
23 applicable IWC Wage Order; (5) Failure to Timely Pay Wages at Termination under California
24 Labor Code §§ 201-203 and the applicable IWC Wage Order and any other applicable statute; (6)
25 Failure to provide Accurate Itemized Wage Statements under California Labor Code § 226 and
26 any other applicable statute; (7) Failure to Indemnify Employees for Expenditures under
27 California Labor Code § 2802 and any other applicable statute; and (8) Violation of Business &
28 Professions Code § 17200 *et seq.* (collectively the "Released Class Claims").

5.3 Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for civil penalties under PAGA arising during the PAGA Period that were alleged or could have been alleged based on the facts alleged in Plaintiff's PAGA Notice to the LWDA and the complaint filed in the PAGA Action, or that could have been based on the facts asserted in the PAGA Notice and the complaint filed in the PAGA Action against Released Parties, including but not limited to, include, but are not limited to, penalties under California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 2699(f)(2) and applicable Industrial Wage Orders (collectively the "Released PAGA Claims").

6. **MOTION FOR PRELIMINARY APPROVAL**

Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will

1 obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for
2 Preliminary Approval no later than 16 (sixteen) court days before the hearing, unless otherwise
3 ordered by the Court, and deliver the Court's Preliminary Approval Order to the Administrator.

4 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
5 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
6 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person
7 or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
8 Preliminary Approval or conditions Preliminary Approval on any material change to this
9 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of
10 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
11 otherwise satisfy the Court's concerns.

12 7. **SETTLEMENT ADMINISTRATION**

13 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action
14 Administration Solutions to serve as the Administrator and verified that, as a condition of
15 appointment, the Administrator agrees to be bound by this Agreement and to perform, as a
16 fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs.
17 The Parties and their Counsel represent that they have no interest or relationship, financial or
18 otherwise, with the Administrator other than a professional relationship arising out of prior
19 experiences administering settlements.

20 7.2 Employer Identification Number. The Administrator shall have and use its own
21 Employer Identification Number for purposes of calculating payroll tax withholdings and
22 providing reports to state and federal tax authorities.

23 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
24 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
25 section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into
26 the QSF prior to distribution by the Administrator will become part of the NSA for distribution
27 to Participating Class Members.

28 7.4 Notice to Class Members.

1 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the
2 Administrator shall notify Class Counsel that the list has been received and state the
3 number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the
4 Class Data.

5 7.4.2 Using best efforts to perform as soon as possible, and in no event later than
6 14 days after receiving the Class Data, the Administrator will send to all Class Members
7 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail,
8 the Class Notice with Spanish translation substantially in the form attached to this
9 Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the
10 dollar amounts of any Individual Class Payment and/or Individual PAGA Payment
11 payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used
12 to calculate these amounts. Before mailing Class Notices, the Administrator shall update
13 Class Member addresses using the National Change of Address database.

14 7.4.3 Not later than five (5) calendar days after the Administrator’s receipt of
15 any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the
16 Class Notice using any forwarding address provided by the USPS. If the USPS does not
17 provide a forwarding address, the Administrator shall conduct a Class Member Address
18 Search, and re-mail the Class Notice to the most current address obtained. The
19 Administrator has no obligation to make further attempts to locate or send Class Notice
20 to Class Members whose Class Notice is returned by the USPS a second time.

21 7.4.4 The deadlines for Class Members’ written objections, challenges to
22 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional
23 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members
24 whose notice is re-mailed. The Administrator will inform the Class Member of the
25 extended deadline with the re-mailed Class Notice.

26 7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or
27 otherwise discovers any persons who believe they should have been included in the Class
28 Data and should have received Class Notice, the Parties will expeditiously meet and confer

1 in person or by telephone, and in good faith in an effort to agree on whether to include
2 them as Class Members. If the Parties agree, such persons will be Class Members entitled
3 to the same rights as other Class Members, and the Administrator will send, via email or
4 overnight delivery, a Class Notice requiring them to exercise options under this
5 Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the
6 Class Notice, whichever are later.

7 **7.5 Requests for Exclusion (Opt-Outs).**

8 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
9 Settlement must send the Administrator, by fax, email, or mail, a signed written Request
10 for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus
11 an additional 14) days for Class Members whose Class Notice is re-mailed). A Request
12 for Exclusion is a letter from a Class Member or his/her representative that reasonably
13 communicates the Class Member's election to be excluded from the Settlement and
14 includes the Class Member's name, address and email address or telephone number. To
15 be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the
16 Response Deadline.

17 7.5.2 The Administrator may not reject a Request for Exclusion as invalid
18 because it fails to contain all the information specified in the Class Notice. The
19 Administrator shall accept any Request for Exclusion as valid if the Administrator can
20 reasonably ascertain the identity of the person as a Class Member and the Class Member's
21 desire to be excluded. The Administrator's determination shall be final and not appealable
22 or otherwise susceptible to challenge. If the Administrator has reason to question the
23 authenticity of a Request for Exclusion, the Administrator may demand additional proof
24 of the Class Member's identity. The Administrator's determination of authenticity shall
25 be final and not appealable or otherwise susceptible to challenge.

26 7.5.3 Every Class Member who does not submit a timely and valid Request for
27 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled
28 to all benefits and bound by all terms and conditions of the Settlement, including the

1 Participating Class Members' Releases under paragraphs 5.2 and 5.3 of this Agreement,
2 regardless of whether the Participating Class Member actually receives the Class Notice
3 or objects to the Settlement.

4 7.5.4 Every Class Member who submits a valid and timely Request for
5 Exclusion is a Non-Participating Class Member and shall not receive an Individual Class
6 Payment or have the right to object to the class action components of the Settlement.
7 Because future PAGA claims are subject to claim preclusion upon entry of the Judgment,
8 Non-Participating Class Members who are Aggrieved Employees are deemed to release
9 the Released PAGA Claims identified in Paragraph 5.3 of this Agreement and are eligible
10 for an Individual PAGA Payment.

11 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 (forty-
12 five) days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days
13 for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks
14 and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member
15 may challenge the allocation by communicating with the Administrator via fax, email or mail.
16 The Administrator must encourage the challenging Class Member to submit supporting
17 documentation. In the absence of any contrary documentation, the Administrator is entitled to
18 presume that the Workweeks contained in the Class Notice are correct so long as they are
19 consistent with the Class Data. The Administrator's determination of each Class Member's
20 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
21 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the
22 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
23 Administrator's determination of the challenges.

24 7.7 Objections to Settlement.

25 7.7.1 Only Participating Class Members may object to the class action
26 components of the Settlement and/or this Agreement, including contesting the fairness of
27 the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
28 Counsel Litigation Expenses Payment and/or Enhancement Award.

1 7.7.2 Participating Class Members may send written objections to the
2 Administrator, by fax, email, or mail. In the alternative, Participating Class Members may
3 appear in Court (or hire an attorney to appear in Court) to present verbal objections at the
4 Final Approval Hearing. A Participating Class Member who elects to send a written
5 objection to the Administrator must do so not later than 45 days after the Administrator's
6 mailing of the Class Notice (plus an additional 14 days for Class Members whose Class
7 Notice was re-mailed).

8 7.7.3 Non-Participating Class Members have no right to object to any of the class
9 action components of the Settlement.

10 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks
11 to be performed or observed by the Administrator contained in this Agreement or otherwise.

12 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will
13 establish, maintain and use an internet website to post information of interest to Class
14 Members including the date, time and location for the Final Approval Hearing and copies
15 of the Settlement Agreement; Motion for Preliminary Approval; Preliminary Approval
16 Order; Class Notice; Motion for Final Approval; Motion for Class Counsel Fees Payment,
17 Class Counsel Litigation Expenses Payment and Enhancement Award; the Final Approval
18 Order; and the Judgment. The Administrator will also maintain and monitor an email
19 address and a toll-free telephone number to receive Class Member calls, faxes and emails.

20 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator
21 will promptly review on a rolling basis Requests for Exclusion to ascertain their validity.
22 Not later than five (5) days after the expiration of the deadline for submitting Requests for
23 Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel
24 containing (a) the names and other identifying information of Class Members who have
25 timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other
26 identifying information of Class Members who have submitted invalid Requests for
27 Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether
28 valid or invalid).

1 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide
2 written reports to Class Counsel and Defense Counsel that, among other things, tally the
3 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
4 Requests for Exclusion (whether valid or invalid) received, objections received,
5 challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed
6 for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The
7 Weekly Reports must include the Administrator’s assessment of the validity of Requests
8 for Exclusion and attach copies of all Requests for Exclusion and objections received.

9 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the
10 authority to address and make final decisions consistent with the terms of this Agreement
11 on all Class Member challenges over the calculation of Workweeks and/or Pay Periods.
12 The Administrator’s decision shall be final and not appealable or otherwise susceptible to
13 challenge.

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

25 7.8.6 Final Report by Settlement Administrator. Within 10 days after the
26 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will
27 provide Class Counsel and Defense Counsel with a final report detailing its disbursements
28 by employee identification number only of all payments made under this Agreement. At

least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **ESCALATOR CLAUSE**

The General Settlement Amount was calculated based on Defendant's representations of the estimated number of Class Members, Class Member workweeks, PAGA Employees, and PAGA Employee pay periods. Defendant has estimated that this settlement will include 394 Class Members who worked 5,132 workweeks during the Class Period and 295 PAGA Employees who worked 7,038 pay periods during the PAGA Period. Defendant has calculated workweeks worked by Class Members using a fulltime equivalent formula by dividing each Class Members' total hours worked throughout the Class Period by 40 and designating that total as that Class Member's number of workweeks worked. Defendant has calculated pay periods based on employees' dates of employment during the PAGA Period, calculating the number of weeks worked, dividing that number by two, and designating that total as the Class Member's number of PAGA Pay Periods worked. If, during the course of this settlement process, the total number of Class Member workweeks increases by more than 10% (i.e. more than 513 Class Member workweeks), then the GSA will be increased by an amount proportional to the increase in Class Member workweeks worked in excess of 10%. Alternatively, should the escalator clause be triggered regarding Class Member workweeks, Defendant has the option to adjust the end date of the Class Period to a date that does not trigger the escalator clause regarding Class Member workweeks.

Defendant has also estimated that this settlement will include 295 PAGA Employees who worked 7,038 pay periods during the PAGA Period. If the PAGA Employee pay periods increases by more than 10% (i.e. more than 703 PAGA Employee pay periods), then the total PAGA Penalties will be increased by an amount proportional to the increase in total PAGA Employee pay periods worked in excess of 10%. This PAGA Penalty increase shall not increase the GSA in any way. For example, if the total PAGA Employee pay periods is 11% more than the estimated number of PAGA Employee pay periods listed above, then the total PAGA Penalties will increase

by 1%, regardless of whether the GSA increases pursuant to the paragraph above. This is a material representation for Plaintiff to enter into this Settlement

9. **MOTION FOR FINAL APPROVAL**

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

9.1 **Response to Objections**. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

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

1 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
2 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
3 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
4 counsel, and all Participating Class Members who did not object to the Settlement as provided in
5 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
6 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
7 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
8 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
9 obligations to perform under this Agreement will be suspended until such time as the appeal is
10 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
11 of the Net Settlement Amount.

12 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
13 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
14 modification of this Agreement (including, but not limited to, the scope of release to be granted
15 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
16 expeditiously work together in good faith to address the appellate court's concerns and to obtain
17 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
18 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
19 Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute
20 a material modification of the Judgment within the meaning of this paragraph, as long as the Gross
21 Settlement Amount remains unchanged.

22 10. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil
23 Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended
24 judgment.

25 11. ADDITIONAL PROVISIONS.

26 11.1 No Admission of Liability, Class Certification or Representative Manageability for
27 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
28 claims. Nothing in this Agreement is intended or should be construed as an admission by

1 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has
2 any liability for any claims asserted; nor should it be intended or construed as an admission by
3 Plaintiff that Defendant's defenses in the Actions have merit. The Parties agree that class
4 certification and representative treatment is for purposes of this Settlement only. If, for any
5 reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant
6 reserves the right to contest certification of any class for any reason, Defendant reserves all
7 available defenses to the claims in the Actions, and Plaintiff reserves the right to move for class
8 certification on any grounds available and to contest Defendant's defenses. The Settlement, this
9 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
10 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
11 Settlement and this Agreement).

12 11.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant,
13 and Defense Counsel separately agree that, until the Motion for Preliminary Approval of
14 Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause
15 or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement
16 directly or indirectly, specifically or generally, to any person, corporation, association,
17 government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses,
18 all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter;
19 (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a
20 court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal
21 government agency. Each Party agrees to immediately notify the other Party of any judicial or
22 agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant,
23 and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or
24 other communication, before the filing of the Motion for Preliminary Approval, with any third
25 party regarding this Agreement or the matters giving rise to this Agreement except to respond
26 only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class
27 Counsel's communications with Class Members in accordance with Class Counsel's ethical
28 obligations owed to Class Members.

1 11.3 No Solicitation. The Parties separately agree that they and their respective counsel
2 and employees will not solicit any Class Member to opt out of or object to the Settlement, or
3 appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's
4 ability to communicate with Class Members in accordance with Defense Counsel's and Class
5 Counsel's ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

6 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this
7 Agreement together with its attached exhibits shall constitute the entire agreement between the
8 Parties relating to the Settlement, superseding any and all oral representations, warranties,
9 covenants, or inducements made to or by any Party.

10 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
11 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
12 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
13 its terms, and to execute any other documents reasonably required to effectuate the terms of this
14 Agreement including any amendments to this Agreement.

15 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use
16 their best efforts, in good faith, to implement the Settlement by, among other things, modifying
17 the Settlement Agreement, submitting supplemental evidence and supplementing points and
18 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
19 or content of any document necessary to implement the Settlement, or on any modification of the
20 Agreement that may become necessary to implement the Settlement, the Parties will seek the
21 assistance of a mediator and/or the Court for resolution.

22 11.7 No Prior Assignments. The Parties separately represent and warrant that they have
23 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
24 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
25 action, or right released and discharged by the Party in this Settlement.

26 11.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel
27 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
28

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

11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

11.15 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

11.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Tyler J. Woods (SBN 232464)

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

To Defendant:

Alexander M. Medina (SBN 222015)
alex@medinamckelvey.com
MEDINA MCKELVEY LLP
925 Highland Pointe Dr, Suite 300
Roseville, CA 95610
Telephone: (916) 960-2211

11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

11.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Sacramento County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 2/6/2026

DocuSigned by:



00C2F88898FB4DB...

Plaintiff Jade Brooks

DATED: _____

Defendant Bad Bakers, Inc.

By: _____

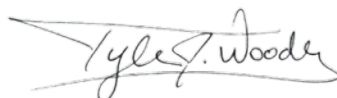
Position: _____

Approved by counsel:

DATED: February 6, 2026

WILSHIRE LAW FIRM

BY: _____



Tyler J. Woods

Counsel for Plaintiff Jade Brooks

DATED: _____

MEDINA McKELVEY LLP

BY: _____

Alexander M. Medina

Counsel for Defendants Bad Bakers, Inc.

By the Parties:

DATED: _____

Plaintiff Jade Brooks

DATED: 2/16/2026

DocuSigned by:

E082807A78114F6...

Defendant Bad Bakers, Inc.

By: Vin Tiuseco

Position: CEO

Approved by counsel:

DATED:

WILSHIRE LAW FIRM

BY: _____

Tyler J. Woods

Counsel for Plaintiff Jade Brooks

DATED: February 13, 2026

MEDINA McKELVEY LLP

BY: _____

Alexander M. Medina

Counsel for Defendants Bad Bakers, Inc.

Exhibit A

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

Jade Brooks v. Bad Bakers Inc. dba Bad Bakers, et al.
Sacramento County Superior Court, Case Nos. 34-2022-00332118-CU-OE-GDS

***The Sacramento County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from an employee class and representative action lawsuit (“Action”) against Bad Bakers Inc. dba Bad Bakers and Bad Stars Inc. (“Defendants”) for alleged wage and hour violations. The Actions were filed by former employee, Jade Brooks, and seeks (1) payment of unpaid wages and other relief for a class of non-exempt or hourly-paid employees (“Class Members”) who worked for Defendant during the Class Period (December 29, 2018 to October 10, 2024); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Class Members who worked for Defendant during the PAGA Period (January 13, 2022 to October 10, 2024) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class settlement requiring Defendant to fund Individual Class Payments; and (2) a PAGA settlement requiring Defendant to fund Individual PAGA Payments and pay PAGA Penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____.** The actual amount you may receive likely will be different and will depend on a number of factors. If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.

The above estimates are based on Defendant’s records showing that **you worked _____ Workweeks during the Class Period and you worked _____ Pay Periods during the PAGA Period.** If you believe that you worked more during either period, you can submit a challenge by the deadline date.

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Defendant Bad Bakers at some point(s) between December 29, 2018 to October 10, 2024, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members' claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys' General Act ("PAGA"). If you are a Class Member, you are also an "Aggrieved Employee" if you worked for Defendant during the "PAGA Period," which is January 13, 2022 to October 10, 2024.

If the Court grants Final Approval to the Settlement, a settlement administrator appointed by the Court ("Settlement Administrator") will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Settlement Administrator (the Settlement Administrator's contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the Sacramento County Superior Court. The case is titled *Jade Brooks v. Bad Bakers Inc. dba Bad Bakers, et al.*, Case Nos. 34-2022-00332118-CU-OE-GDS. The person who sued, Jade Brooks, is the Plaintiff, and the company sued, Bad Bakers Inc. dba Bad Bakers and Bad Stars Inc., are the Defendants.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiff in the lawsuits alleges wage and hour violations against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods and pay meal period premiums; (4) failure to provide rest periods and pay miss rest period premiums; (5) failure to timely pay all wages earned and unpaid at separation; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify all necessary business expenditures; and (8) violation of California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* In addition, Plaintiff is seeking to recover civil penalties pursuant to PAGA ("PAGA Penalties") based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiff's claims and denies any wrongdoing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called "Class Representatives" (in this case, the Plaintiff) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the Plaintiff or Defendant on the merits of the claims alleged in the lawsuit. Plaintiff believes Plaintiff would win at trial. Defendant denies all liability and believes that Plaintiff's claims would not succeed at trial. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiff, as well as Plaintiff's lawyers (called "Class Counsel"), believe the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: current and former hourly, non-exempt employees employed by Defendants in the State of California any time from December 29, 2018 to October 10, 2024.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$125,000.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of one-third of the GSA or \$41,666.67 and reimbursement for reasonable costs; Enhancement Award of \$5,000.00 to the Plaintiff (for Plaintiff’s work and efforts prosecuting this case); a PAGA Penalties payment of \$12,500.00 to resolve the PAGA claims; and Settlement Administration Costs to Phoenix Class Action Administration Solutions, not to exceed \$9,000.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately **\$56,832.33**. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) from the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$12,500.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalties payment, or \$9,375.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or \$3,125.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (December 29, 2018 to October 10, 2024). Eighty percent (80%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty percent (20%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant from January 13, 2022 to October 10, 2024 (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported

on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement. *See, e.g., Robinson v So. County Oil*, 53 Cal. App. 476 (2020).

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, you may submit a challenge within 45 days of the date this Notice is mailed to you, together with any supporting evidence, to the settlement Administrator, whose contact information is listed in Section 12 below. The Settlement Administrator will review all timely challenges and make a determination based on the information provided.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on [REDACTED], to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately six (6) months after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html.

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the Released Class Claims described below against Defendant and all of Defendant's officers, directors, employees, and agents ("Released Parties"). The releases become effective once the GSA is fully funded by Defendant.

Released Class Claims: The “Released Class Claims” shall include all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Action.

Released PAGA Claims: If you are an Aggrieved Employee (i.e. if you worked for Defendant during the PAGA Period), you will also release all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiff’s PAGA Notice to the LWDA and the complaint filed in the PAGA Action, or that could have been based on the facts asserted in the PAGA Notice and the complaint filed in the PAGA Action against Released Parties.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than 45 days after Class Notice is Mailed. Be sure to include your name, address, and telephone number, and any other information you think would be helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

[INSERT].
Bad Bakers Inc. dba Bad Bakers et al. Settlement
XXXXX
City, State, XXXXX
Email:
Fax:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (January 13, 2022 to October 10, 2024). If you ask to be excluded, you may be able to sue (or continue to sue) Defendant in the future.

13. IF I DON’T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is 45 days after Class Notice is Mailed.

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money from this Settlement. However, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendant, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, PLC is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

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

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve \$41,666.67 (or 1/3 of the GSA) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to \$20,000 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve a payment to Plaintiff Jade Brooks in the amount of \$5,000.00 in addition to Plaintiff's Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiff has spent in service to the Class as the Class Representative. The Court may award a Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before [REDACTED], 2026 (See Section 12).

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED] in Department 28 of the Sacramento County Superior Court located at 720 9th Street, Sacramento, CA 95814, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payment and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, at the contact information above in Section 12.

PLEASE DO NOT TELEPHONE THE COURT OR BAD BAKER'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

Exhibit 2

WILSHIRE LAW FIRM, PLC

3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
www.wilshirelawfirm.com



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A. Ilyas Akbari, Esq.
Justin F. Marquez, Esq.
John G. Yslas, Esq.
Jon Teller, Esq.
Johnny Ogata, Esq.
Tae Kim, Esq.

Benjamin H. Haber, Esq.
Christina M. Le, Esq.
Daniel Kramer, Esq.
Arsiné Grigoryan, Esq.
Arrash T. Fattahi, Esq.
Zachary D. Greenberg, Esq.
Aram Boyadjian, Esq.

January 13, 2023

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

Bad Stars Inc
260 Mahonia Circle
Sacramento, CA 95835
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6372 1978 94

Bad Bakers Inc dba Bad Bakers
260 Mahonia Circle
Sacramento, CA 95835
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6372 1978 70

Vincent Lorenzo Tiuseco
Agent for Service of Process for:
Bad Stars Inc
260 Mahonia Circle
Sacramento, CA 93835
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6372 1979 00

Vincent Lorenzo Tiuseco
Agent for Service of Process for:
Bad Bakers Inc dba Bad Bakers
260 Mahonia Circle
Sacramento, CA 93835
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6372 1978 87

Re: ***Jade Brooks v. Bad Bakers Inc dba Bad Bakers, et al.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Jade Brooks ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against her former employers, Bad Bakers Inc dba Bad Bakers and Bad Stars Inc ("Defendants"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to Plaintiff and all of Defendants' Aggrieved Employees.

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

Plaintiff and the Aggrieved Employees suffered the Labor Code violations described below.

Plaintiff's Employment with Defendants

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

Plaintiff Jade Brooks is a California resident who worked for Defendants in California as an hourly-paid, non-exempt employee from approximately August 2022 to approximately October 2022. Defendants typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked more than eight hours in a workday and more than forty (40) hours in a workweek.

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

Defendants Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

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

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

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

Throughout the statutory period, Defendants maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendants required Plaintiff and the Aggrieved Employees to work "off-the-clock", uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to continue working during unpaid meal periods. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendants also failed to maintain

accurate records of the hours Plaintiff and the Aggrieved Employees worked.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendants wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendants regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendants continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Accordingly, Defendants' policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

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

Failure to Authorize and Permit Rest Periods

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

Throughout the statutory period, Defendants have wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive

hours a day without Defendants authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendants continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period.

Accordingly, Defendants' policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

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

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

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

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty

under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendants, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

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

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendants failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendants' conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate

until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

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

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

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

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

Throughout the statutory period, Defendants failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendants violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendants the greater of their actual damages caused by Defendants’ failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendants wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendants. Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, for the use of personal cell phone. Plaintiff and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendants, but Defendants failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiff and the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

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

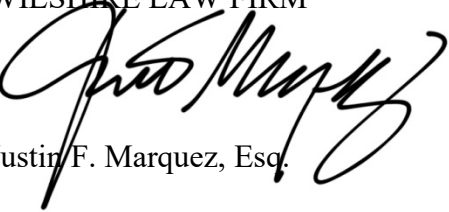
Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

LWDA
Notice of Labor Code Violations and PAGA
January 13, 2023
Page 8 of 8

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

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "Justin Marquez", written over the printed name.

Justin F. Marquez, Esq.



State of California

Labor and Workforce Development Agency /
Department of Industrial Relations

Private Attorneys General Act (PAGA) – Filing

New PAGA Claim Notice

Your Information (Person Who is Filing)

Your First Name *

Justin

Your Last Name *

Marquez

Firm Name (if any) *

Wilshire Law Firm, PLC

(Enter "in pro per" if you are representing yourself)

Your Email Address *

minjee@wilshirelawfirm.cc

Your Street Name, Number and Suite/Apt *

3055 Wilshire Blvd., 12th F

Your Mobile Phone Number

Your City *

Los Angeles

Your Work Phone Number

2133819988

Your State *

California

Your Zip/Postal Code *

90010

Plaintiff Information

Plaintiff/Aggrieved Employee Name *

Jade Brooks

Plaintiff/Aggrieved Employee Occupation *

Popping

[Add Additional Plaintiffs](#)

Employer Information

Employer Entity Type

Corporation

Employer Name *

Bad Bakers Inc dba Bad Bakers

Maximum 80 Character Limit

Employer Street Name, Number and Suite/Apt *

260 Mahonia Circle

Employer City *

Sacramento

Employer State *

California ▼

Employer Zip/Postal Code *

95835

Employer Industry *

Other ▼

Employer Industry for "Other" *

Other

Add additional defendants

- ☒ Add any entity other than an individual
- ☐ Add an individual/sole proprietor employer

Additional Employer Information (Corporation/General Partnership)**Employer Entity Type**

Corporation ▼

Employer Name *

Bad Stars Inc

Maximum 80 Character Limit

Employer Street Name, Number and Suite/Apt *

260 Mahonia Circle

Employer City *

Sacramento

Employer State *

California ▼

Employer Zip/Postal Code *

95835

Employer Industry *

Other ▼

Employer Industry for "Other" *

Other

[Add Additional Employers](#)**Notice General Information****Estimated Number of Employees Impacted by Violations ***

40

Notice Violations – Check All that Apply *

- ☐ Child Labor
- ☐ Misclassification Employee Classified as Contractor
- ☐ Misclassification NonExempt Classified as Exempt
- ☒ Minimum Wage
- ☒ Overtime
- ☒ Not paid for all hours worked
- ☒ Not paid wages due on termination
- ☒ Other Unpaid Wages
- ☐ Tips or Gratuities
- ☒ Payment or Reimbursement of Employee Expenses
- ☐ Improper Form of Payment Including NSF Checks
- ☐ Kickbacks
- ☒ Meal and Rest Breaks
- ☐ Sick Leave
- ☐ Lactation Accommodation (Labor Code 1030–1033)
- ☐ Not providing required time off, other
- ☐ Pay Discrimination on basis of sex, (Labor Code 1197.5)
- ☐ No Wage Statements
- ☒ Improper or Incomplete Wage Statements
- ☒ Other Notice or Posting or Recordkeeping
- ☐ Public Works (Labor Code 1720 – 1815)
- ☐ Apprenticeship (Labor Code 3070 – 3098)
- ☐ Occupational Safety and Health (Labor Code 6300 et seq)
- ☐ No Workers' Compensation
- ☐ Licensing, Registration, or Permit
- ☐ Unfair Immigration Activities
- ☐ Agricultural Labor Relations
- ☐ Industrial Homework
- ☐ Retaliation for Protected Status or Activity (Specify)
- ☐ Other

Child Labor – Specify Ages

PAGA Claim Type – Check All that Apply *

- ☒ Notice asserts one or more Labor Code violations listed in Labor Code 2699.5– not curable subject to 2699.3(a)
- ☐ Notice asserts one or more OSHA violations subject to requirements of 2699.3(b)
- ☒ Includes one or more violations not listed in Labor Code 2699.5 – curable subject to 2699.3(c)

Filing Fee

A filing fee of \$75 is required to file a new PAGA claim notice.

IFP

☐ I wish to claim In Forma Pauperis and am attaching a Confidential Request to Waive Court Fees (Judicial Council Court Form FW-001) or similar form to this submission.

Billing information

Billing First Name *

Bobby

Billing Last Name *

Saadian

Billing Email *

minjee@wilshirelawfirm.cc

Billing Phone

2133819988

Billing Street Name, Number and Suite/Apt *

3055 Wilshire Blvd., 12th Floor

Billing City *

Los Angeles

Billing State *

California

Billing Zip/Postal Code *

90010

Credit Card Type *

Master Card

Credit Card Number *

CVV Number *

Credit Card Expiration Month *

mm

Credit Card Expiration Year *

yyyy

Notice and Other Attachments

PAGA Claim Notice (must be a .pdf) *

Choose File 2023 01-13 ...ter (FINAL).pdf

Other Attachment – (if any) (must be a .pdf)

Choose File No file chosen

[Add Another Attachment](#)

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

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

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

Min Jee Kim

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>
Sent: Friday, January 13, 2023 4:06 PM
To: Min Jee Kim
Subject: Thank you for submission of your PAGA Case.

1/13/2023

LWDA Case No. LWDA-CM-929358-23
Law Firm : Wilshire Law Firm, PLC
Plaintiff Name : Jade Brooks
Employer: Bad Bakers Inc dba Bad Bakers
Filing Fee : \$75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

Exhibit 3



CASE ASSUMPTIONS

Class Members	394
Opt Out Rate	1%
Opt Outs Received	4
Total Class Claimants	390
Subtotal Admin Only	\$8,250.00

Not-to-Exceed Total \$8,250.00
For 394 Class Members

Pricing Good for Scope of Estimate Only

February 2, 2026

Case: Bad Bakers, Inc. (Brooks) Opt-Out Admin wTranslation

Phoenix Contact: Jodey Lawrence
 Contact Number: 949.566.1455
 Email: Jodey@phoenixclassaction.com

Requesting Party: Coley Hayes
 Firm: Wilshire Law Firm, PLC
 Direct Tel: (213) 381-9988 Ext. 815
 Email: coley.hayes@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
 Estimate is based on 394 Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$138.43	1	\$138.43
Call Center & Long Distance	\$1.95	5	\$9.75
NCOA (USPS)	\$100.00	2	\$200.00
			54.00
		Total	\$848.18

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Translation / Reporting			
Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	2	\$250.00
Data Merge & Duplication Scrub	\$0.50	394	\$197.00
Notice Packet & Opt-Out Form	\$1.25	394	\$492.50
Estimated Postage (up to 2 oz.)*	\$0.74	394	\$291.56
Static Website	\$200.00	1	\$200.00
Language Translation	\$1,000.00	1	\$1,000.00
		Total	\$2,431.06

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	1	\$55.00
Skip Tracing Undeliverables	\$1.00	39	\$39.40
Remail Notice Packets	\$1.25	39	\$49.25
Estimated Postage	\$0.74	39	\$29.16
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$222.81

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	1	\$135.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	1	\$55.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	3	\$30.00
Case Manager	\$85.00	1	\$85.00
Total			\$505.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$125.00	2	\$250.00
QSF Bank Account & EIN	\$125.00	1	\$125.00
Check Run Setup & Printing	\$125.00	2	\$250.00
Mail Class Checks *	\$1.00	390	\$390.06
Estimated Postage	\$0.74	390	\$288.64
Total			\$1,803.70

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	3	\$375.00
Remail Undeliverable Checks (Postage Included)	\$1.50	20	\$29.25
Case Associate	\$55.00	3	\$165.00
Reconcile Uncashed Checks	\$95.00	2	\$190.00
Conclusion Reports	\$110.00	2	\$220.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,040.00	1	\$1,040.00
Total			\$2,439.25

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$8,250.00



TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

Exhibit 4



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).

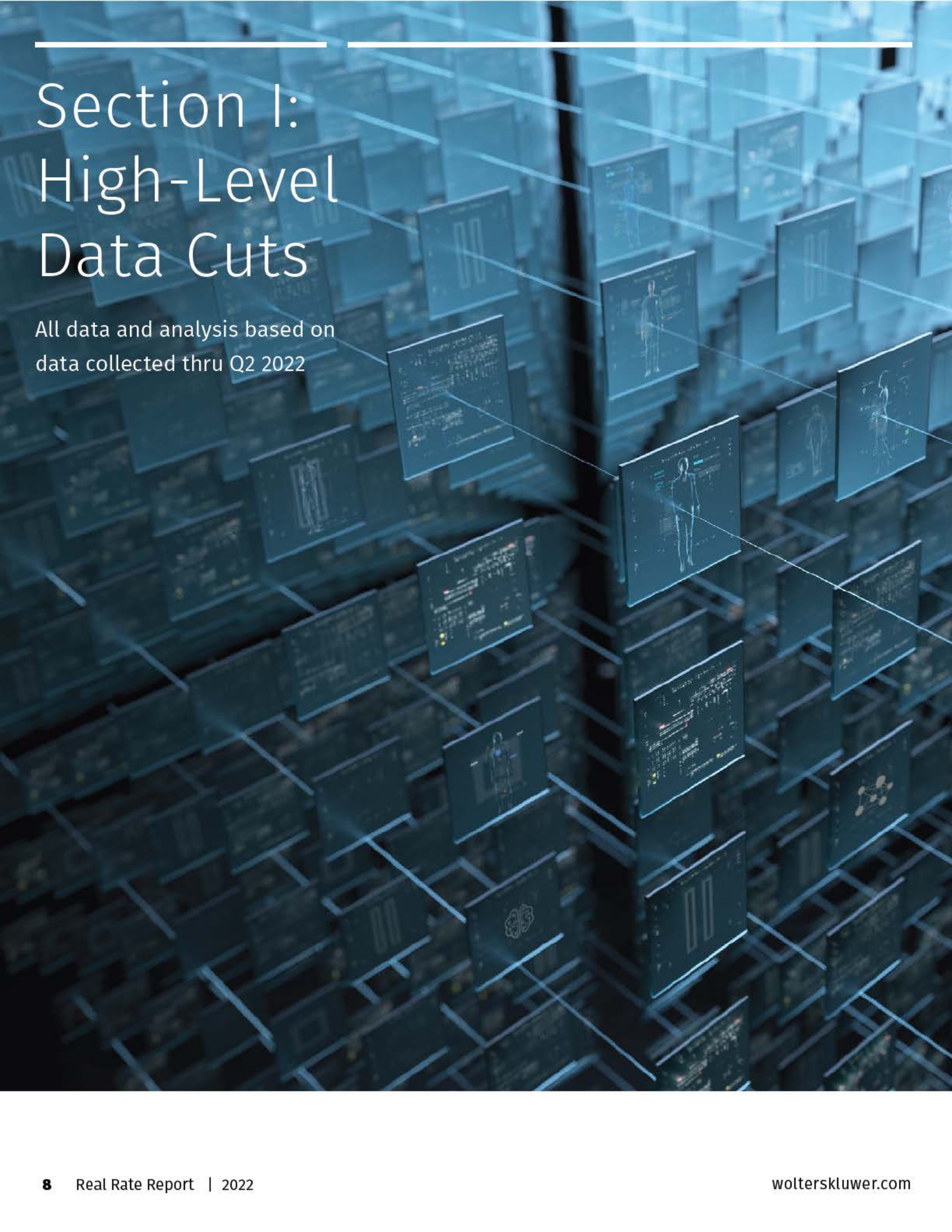
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural 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
		Partner	24	\$275	\$320	\$456	\$363	\$378	\$403
Nashville TN	Litigation	Partner	78	\$412	\$484	\$576	\$505	\$481	\$470
		Associate	59	\$270	\$330	\$384	\$340	\$315	\$285
	Non-Litigation	Partner	47	\$290	\$332	\$412	\$343	\$330	\$340
		Associate	42	\$231	\$243	\$340	\$278	\$290	\$275
New Orleans LA	Litigation	Partner	32	\$295	\$347	\$405	\$419	\$380	\$391
		Associate	21	\$244	\$250	\$278	\$273	\$303	\$258
	Non-Litigation	Partner	614	\$475	\$675	\$1,088	\$808	\$784	\$746
		Associate	631	\$323	\$460	\$729	\$545	\$527	\$509
New York NY	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
	Non-Litigation	Partner	14	\$235	\$338	\$393	\$337	\$319	\$311
		Associate	12	\$293	\$339	\$353	\$329	\$338	\$341
Oklahoma City OK	Non-Litigation	Partner							
Omaha NE	Litigation	Partner							

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



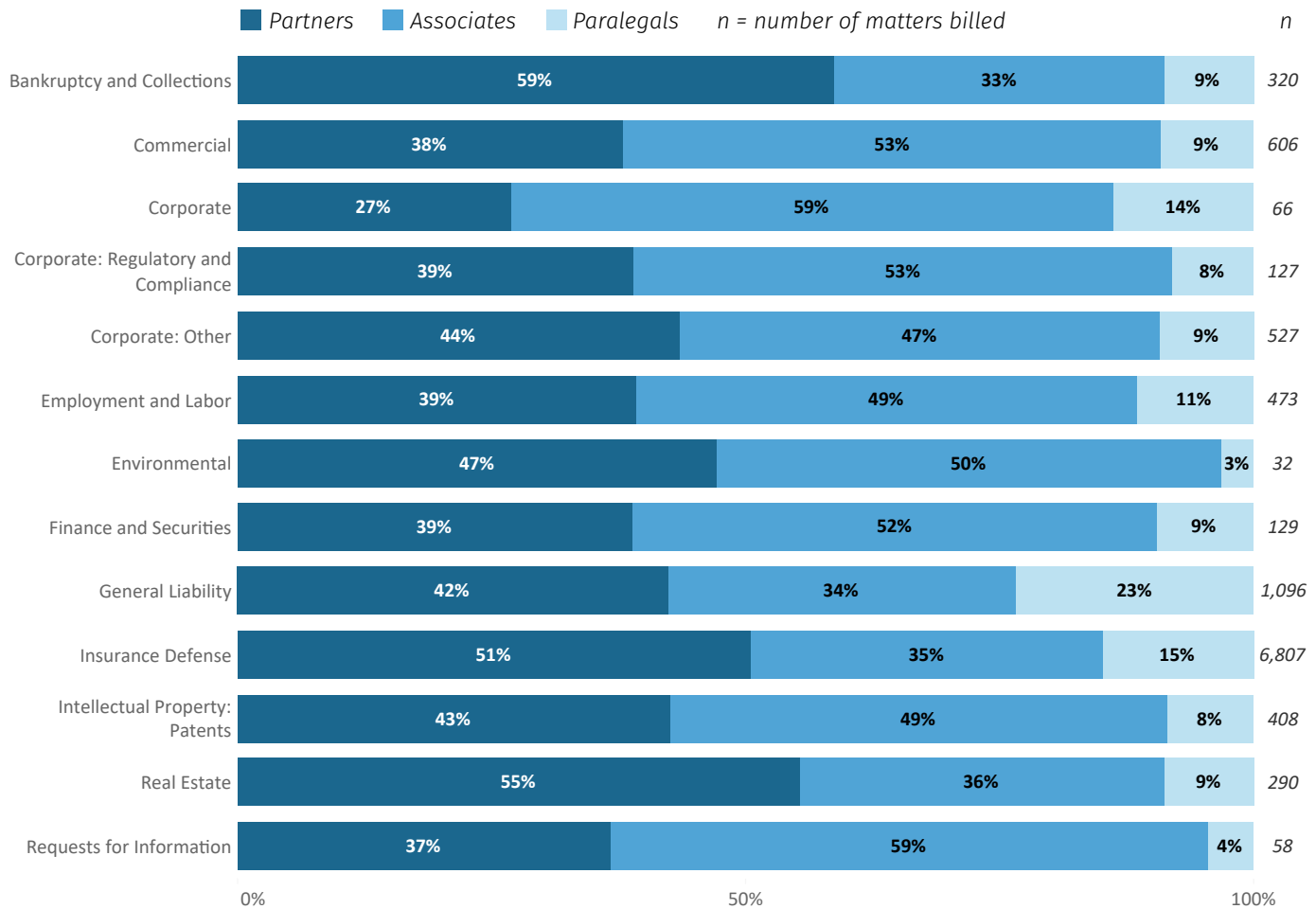
Section VI: Matter Staffing Analysis

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 5

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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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