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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

ELIZABETH CANDELARIO, individually, on
behalf of all others similarly situated,

Plaintiff,

v.

REDTAILS LOGISTICS COMPANY LLC, a
limited liability company; REDTAILS
LOGISTICS CORPORATION, INC., a
California corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No.: 23STCV15238

CLASS & REPRESENTATIVE ACTION

[Assigned for all purposes to: Hon. Elaine Lu,
Dept. 9]

**DECLARATION OF BENJAMIN H.
HABER IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: December 4, 2025

Time: 8:30 a.m.

Dept: 9

Complaint filed: June 29, 2023

FAC filed: October 27, 2023

Trial date: not set

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

CASE BACKGROUND

2. This is a wage and hour class and Private Attorneys General Act (“PAGA”) (Cal. Lab. Code §§ 2699, *et seq.*) representative action. Plaintiff and the putative class members worked in California as hourly-paid or non-exempt employees for Defendant Redtails Logistics Company LLC and Redtails Logistics Corporation, Inc. (“Defendant,” and together with Plaintiff, the “Parties”) during the class period. Defendant is an international eCommerce logistics and warehousing company with warehouses located throughout the United States and the world.

3. Plaintiff alleges that Defendant's payroll, timekeeping, and wage and hour practices resulted in Labor Code violations. Plaintiff alleges that Defendant failed to pay for all hours worked. Plaintiff further alleges that Defendant failed to: provide employees with legally compliant meal and rest periods; and Defendant failed to reimburse business expenses. Based on these allegations, Plaintiff asserts related claims for failure to pay wages during employment, failure to pay all final wages at termination, failure to provide accurate wage statements, failure to keep requisite payroll records, unfair business practices, and civil penalties under PAGA.

4. On June 29, 2023, Plaintiff filed a putative wage and hour class action complaint against Defendant for: (1) failure to pay minimum and straight time wages (Labor Code §§ 204, 1194, 1194.2, and 1197); (2) failure to pay overtime wages (Labor Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and 512); (4) failure to authorize and

1 permit rest periods (Labor Code § 226.7); (5) failure to timely pay final wages at termination
2 (Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements (Labor Code
3 § 226); (7) failure to indemnify employees for expenditures (Labor Code § 2802); and (8) unfair
4 business practices (Business and Professions Code §§ 17200, *et seq.*). Plaintiff sent a notice to
5 Defendant and the California Labor & Workforce Development Agency (“LWDA”) alleging
6 similar wage and hour violations pursuant to the PAGA on July 21, 2023. On October 27, 2023,
7 Plaintiff filed a First Amended Complaint against Defendant adding a claim for civil penalties
8 under PAGA.

9 DISCOVERY, INVESTIGATION, AND SETTLEMENT

10 5. Following the filing of the initial complaint, the Parties exchanged documents and
11 information before mediating this action. Defendant produced a sample of time and pay records
12 for class members. Defendant also provided documents of its wage and hour policies and practices
13 during the class period, and information regarding the total number of current and former
14 employees in its informal discovery responses.

15 6. After reviewing documents regarding Defendant’s wage and hour policies and
16 practices and analyzing Defendant’s timekeeping and payroll records, Class Counsel was able to
17 evaluate the probability of class certification, success on the merits, and Defendant’s maximum
18 monetary exposure for all claims. Class Counsel also investigated the applicable law regarding
19 the claims and defenses asserted in the litigation. Class Counsel reviewed these records and
20 prepared a damage analysis prior to mediation. This extensive investigation and discovery allowed
21 Class Counsel to act intelligently and effectively in negotiating the Settlement.

22 SETTLEMENT NEGOTIATIONS

23 7. On August 12, 2024, the Parties participated in private mediation with experienced
24 employment mediator Paul Grossman, Esq. The mediation was conducted via Zoom. The
25 settlement negotiations were at arm’s length and, although conducted in a professional manner,
26 were adversarial. The Parties went into the mediation willing to explore the potential for a
27 settlement of the dispute, but each side was also prepared to litigate their position through trial and
28 appeal if a settlement had not been reached.

1 8. After extensive negotiations and discussions regarding the strengths and
2 weaknesses of Plaintiff's claims and Defendant's defenses, the Parties reached a settlement, the
3 material terms of which are encompassed within the Settlement Agreement. Attached as **Exhibit**
4 **1** is a true and correct copy of the Class Action and PAGA Settlement Agreement and Class Notice
5 (the "Settlement" or "Settlement Agreement").

6 9. Class Counsel submitted the proposed Settlement to the LWDA before filing the
7 Motion for Preliminary Approval. Attached as **Exhibit 2** is a true and correct copy of the
8 confirmation that the settlement was submitted to the LWDA.

9 10. Wilshire Law Firm requested several bids from experienced class action settlement
10 administrators to handle the responsibilities of the Settlement Administrator under this Settlement.
11 The Parties accepted the bid of Apex Class Action ("Apex"). Apex has multiple years of
12 experience in the field of Class Action Administration, particularly in the wage and hour arena. In
13 its bid, Apex agreed to cap its costs at \$11,500.00 for 550 class members. Apex's bid accounts for
14 Notice in English and Spanish. A true and correct copy of the bid is attached hereto as **Exhibit 3**.

15 11. Plaintiff does not have any interest, financial or otherwise, in the proposed third-
16 party administrator, Apex.

17 12. No one at Wilshire Law Firm, PLC (meaning the law firm itself and anyone
18 employed at the law firm) has any interest, financial or otherwise, in the proposed third-party
19 administrator, Apex.

20 13. Wilshire Law Firm, PLC has no fee-splitting agreement with any other counsel in
21 this case.

22 THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

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

1 15. Based on an analysis of the facts and legal contentions in this case, documents and
2 information from Defendant, Wilshire Law Firm evaluated Defendant’s maximum exposure. We
3 took into account the risk of not having the claims certified and the risk of not prevailing at trial,
4 even if the claims are certified. After using the data Defendant provided, including class member
5 timekeeping and payroll records, as well as class member demographics (i.e., the number of class
6 members, workweeks, and average total compensation of the class), with the assistance of a
7 statistics expert, my team created a damages model to evaluate the realistic range of potential
8 recovery for the class. The damages model is based on the following benchmarks:

9 Total Class Members: 535

10 Terminated Class Members during 3-year statute of limitations period: 421

11 Total Workweeks: 22,500

12 PAGA Pay Periods: 12,645

13 PAGA Eligible Employees: 264

14 Avg. Hourly Rate: \$18.90

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

21 17. Plaintiff alleges that Defendant failed to pay for all hours worked, including
22 minimum, straight time, and overtime wages, by requiring class members to work off-the-clock,
23 unpaid. For purposes of calculating Defendant’s liability based on a best-case scenario for Plaintiff
24 and the Class, we estimate that Defendant’s maximum potential exposure by assuming that all
25 unpaid work time should have been paid at the overtime rate, not minimum or straight time wages
26 and we assumed that Defendant is liable for 30 minutes of unpaid worktime per workweek. This
27 results in an estimate of \$318,937.50 (22,500 workweeks * \$18.90 hourly rate * 1.5 overtime rate
28 * 0.5 hours of unpaid work per workweek), but we discounted this figure by 80% to account for

1 the difficulty of prevailing on a motion for class certification and a trial on the merits because
2 liability depends on whether Defendant knew or should have known that class members were
3 working off-the-clock, yielding a realistic damage estimate of \$63,787.50.¹

4 18. With respect to the meal period claim, Plaintiff alleges that Defendant required her
5 and similarly situated class members to either work in lieu of taking meal periods, or their meal
6 periods were untimely or interrupted. Our expert analyzed Defendant's timekeeping records and
7 opined that approximately 1.3% of all meal breaks had violations of short, missed, or no meal
8 periods (accounting for waivable shifts and meal period premiums paid). Potential liability for the
9 meal period claim is \$19,901.70 (22,500 workweeks * 3.6 average shifts per workweek * \$18.90
10 * 1.3%). We discounted this figure by 80% to account for the difficulty of certifying and proving
11 meal period claims, as well as Defendant's contention that the claim lacks merit, particularly in
12 light of its numerous meal period premium payments and waivers, yielding a realistic damage
13 estimate of \$3,980.34.

14 19. With respect to the rest period claim, Plaintiff alleges that Defendant required her
15 and similarly situated class members to work in lieu of taking rest periods, or her rest periods were
16 interrupted. Assuming a 25% violation rate for the class period based on Plaintiff's and other class
17 members' experience working for Defendant, Defendant's potential liability for the rest period
18 claim is \$382,725.00 (22,500 workweeks * 3.6 average shifts per workweek * \$18.90 * 25%)
19 however, we discounted this figure by 90% to account for the difficulty of certifying and proving
20 rest period claims, particularly because rest periods do not have to be recorded, and to account for
21 the possibility of class members voluntarily choosing to forego a rest period, yielding a realistic
22 damage estimate of \$38,272.50.

23 20. Plaintiff also allege that Defendant failed to reimburse necessary business expenses.
24 Defendant's employees (including Plaintiff) were frequently required to use their personal cell
25 phones to communicate with their supervisors and managers about work-related duties and were
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 additionally required to purchase their own basic supplies. For purposes of calculating Defendant's
2 liability based on a best-case scenario for Plaintiff and the Class, we estimated that Defendant was
3 liable to each class member for \$10.00 per workweek in unreimbursed expenses, for a total amount
4 of \$225,000.00 ($\$10.00 \times 22,500$); however, we discounted this figure by 80% to account for the
5 difficulty of certifying and proving expense reimbursement claims, particularly in light of written
6 policies and practices providing a mechanism for class member's to seek reimbursement, yielding
7 a realistic damage estimate of \$45,000.00.

8 21. In sum, we estimated that Plaintiff's maximum recovery for the off-the-clock claim,
9 meal period violations, rest period violations, and failure to reimburse expenses is \$946,564.20,
10 but, after factoring in the risk and uncertainty of prevailing at certification and trial, we estimate
11 that Plaintiff's realistic estimated recovery for the non-penalty claims is \$151,040.34.

12 22. With respect to Plaintiff's derivative claims for statutory and civil penalties,
13 Plaintiff estimated that Defendant's realistic potential liability is \$267,631.27. While Defendant's
14 maximum potential liability for: waiting time penalties is \$2,148,363.00 based on approximately
15 421 terminated class members during the 3-year statute of limitations period ($421 \times \$18.90 \times 9.0$
16 $\text{hours} \times 30 \text{ days}$); inaccurate wage statements is \$1,251,300.00 based on approximately 264 class
17 members who worked approximately 12,645 pay periods within the 1-year statute of limitations
18 period ($\$50 \times 264 + \$100 \times 12,381$); and PAGA violations is \$1,264,500.00 based on the Court
19 assessing a \$100 penalty for initial violations for all 12,645 pay periods within the 1-year statute
20 of limitations period, we believe that it would be unrealistic to expect the Court to award the full
21 \$4,664,163 in penalties given Defendant's defenses, the contested nature of Plaintiff's claims, and
22 the discretionary nature of penalties. Considering that the underlying claims are realistically
23 estimated to be \$151,040.34, such a disproportionate award would also raise due process concerns.
24 Weighing these factors and applying a discount of 95% to account for the risk and uncertainty of
25 prevailing at trial, due process concerns, and the Court's discretionary ability to lower penalties,
26 we arrived at \$233,208.15 for statutory and civil penalties, which is approximately double the
27 amount of the realistic recovery for the restitution and damages.

23. Using these estimated figures, Plaintiff predicted that the realistic maximum recovery for all claims, including penalties, would be \$384,248.49. This means that the \$215,000.00 settlement figure represents approximately 56% of the realistic maximum recovery ($\$215,000.00 / \$384,248.49 = 55.9\%$). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class.² Indeed, because of the proposed Settlement, class members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

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

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

26. The Net Settlement Amount available for Class Member settlement payments is estimated to be \$73,333.34, for a class of 535 persons.³ As a result, each Settlement Class Member is eligible to receive an average net benefit of approximately \$137.07.

27. The proposed Settlement of \$215,000.00, therefore, represents a substantial recovery when compared to Plaintiff's reasonably forecasted recovery. When considering the risks

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

³ The Net Settlement Amount is: \$215,000.00 minus \$71,666.66 for Class Counsel's attorneys' fees, minus \$30,000.00 for Class Counsel's litigation expenses, minus \$15,000.00 in administration costs, minus \$15,000.00 for the PAGA payment, and minus \$10,000.00 for the class representative service awards to named Plaintiff.

1 of litigation, the uncertainties involved in achieving class certification, the burdens of proof
2 necessary to establish liability, the probability of appeal of a favorable judgment, it is clear that the
3 settlement amount of \$215,000.00 is within the “ballpark” of reasonableness, and preliminary
4 settlement approval is appropriate.

5 ENHANCEMENT AWARDS FOR PLAINTIFF IS REASONABLE

6 28. Class Counsel represents that Plaintiff devoted a great deal of time and work
7 assisting counsel in the case, communicated with counsel very frequently for litigation and to
8 prepare for mediation, and were frequently in contact with Class Counsel during the mediation.
9 Plaintiff’s requested enhancement awards are reasonable particularly in light of the substantial
10 benefits Plaintiff generated for all class members.

11 29. Throughout this litigation, Plaintiff, who is a former employee of Defendant, has
12 cooperated immensely with my office and has taken many actions to protect the interests of the
13 class. Plaintiff provided valuable information regarding the off-the-clock, meal period, and rest
14 period claims. Plaintiff also informed my office of developments and information relevant to this
15 action, participated in decisions concerning this action, and made herself available to answer
16 questions during the mediation. Before we filed this case, Plaintiff provided my office with
17 documents regarding the claims alleged in this action. The information and documentation
18 provided by Plaintiff was instrumental in establishing the wage and hour violations alleged in this
19 action, and the recovery provided for in the Settlement Agreement would have been impossible to
20 obtain without Plaintiff’s participation.

21 30. At the same time, Plaintiff faced many risks in adding herself as the class
22 representatives in this matter. Plaintiff faced actual risks with her future employment, as putting
23 herself on public record in an employment lawsuit could also very well affect her likelihood for
24 future employment. Furthermore, as part of this settlement, Plaintiff is executing general release
25 of all claims against Defendant.

26 31. In turn, class members will now have the opportunity to participate in a settlement,
27 reimbursing them for alleged wage violations they may have never known about on their own or
28 been willing to pursue on their own. If these class members would have each tried to pursue their

1 legal remedies on their own, that would have resulted in each having to expend a significant amount
2 of their own monetary resources and time, which were obviated by Plaintiff putting herself on the
3 line on behalf of these other class members.

4 32. In the final analysis, this class action would not have been possible without the aid
5 of Plaintiff, who put her own time and effort into this litigation, sacrificed the value of her own
6 individual claims, and placed herself at risk for the sake of the class members. The requested
7 enhancement awards for Plaintiff for her service as the class representative and for her general
8 releases of all individual claims is a relatively small amount of money when the time and effort
9 put into the litigation are considered and in comparison to enhancements granted in other class
10 actions. The requested incentive awards are therefore reasonable to compensate Plaintiff for her
11 active participation in this lawsuit.

12 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

13 33. The settlement provides for attorneys' fees and costs to Class Counsel in an amount
14 up to 1/3 of the Gross Settlement Amount, for a maximum fees award of \$71,666.66, plus
15 reasonable litigation expenses of up to \$30,000.00.

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

20 35. It is further estimated that my office will need to expend at least another 50 to 100
21 hours to monitor the process leading up to the final approval and payments made to the class. My
22 office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

23 36. The risk to my office has been very significant, particularly if we would not be
24 successful in pursuing this class action. In that case, we would have been left with no compensation
25 for all the time taken in litigating this case. Indeed, Wilshire Law Firm has taken on a number of
26 class action cases that have resulted in thousands of attorney hours being expended and ultimately
27 having certification denied or the defendant company going bankrupt. The contingent risk in these
28 types of cases is very real and they do occur regularly. Furthermore, we were precluded from

1 focusing on, or taking on, other cases which could have resulted in a larger, and less risky,
2 monetary gain.

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

12 PLAINTIFF'S COUNSEL'S EXPERIENCE AND QUALIFICATIONS

13 38. Plaintiff is represented by Wilshire Law Firm, PLC. The attorneys at WLF
14 performed significant work and expended litigation costs in prosecuting this matter with no
15 guarantee of payment.

16 39. WLF was selected by Best Lawyers and U.S. News & World Report as one of the
17 nation's Best Law Firms for every year since 2020 and is comprised of more than 100 attorneys
18 and over 600 employees. WLF is actively and continuously practicing in employment litigation,
19 representing employees in both individual and class actions in both state and federal courts
20 throughout California.

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

25 41. I am an Partner at Wilshire Law Firm. I graduated from the University of California,
26 Los Angeles, with a Bachelor of Arts in Political Science, and received his Juris Doctor from the
27 University of California, Hastings College of the Law in 2016. During law school, I was a member
28 of the executive board for the *Hastings Law Journal* and student mediator at the San Francisco

1 Superior Court, Small Claims Division. Since graduating from law school, I have focused my
2 legal work primarily on wage-and-hour litigation and has helped obtain dozens of settlements on
3 behalf of tens of thousands of workers in California. I was also selected as a “Southern California
4 Rising Star” in 2024 and 2025.

5 42. I have been appointed as class counsel in numerous wage-and-hour cases
6 throughout California. Below is a non-exhaustive list of cases where I was appointed as class
7 counsel or myself and other members of my firm were appointed as class counsel:

- 8 a. *Colter v. Propulsion Controls Engineering*, San Diego County, Case No. 37-
9 2020-00030682-CU-OE-CTL; Motion for Final Approval granted on October
10 28, 2022.
- 11 b. *Rodriguez v. Modesto Restaurant Group, LLC*, Stanislaus County, Case No. CV-
12 21-000269; Motion for Final Approval granted on January 10, 2023.
- 13 c. *Kingsbury v. Caravan Foods II, Inc.*, Alameda County, Case No. RG21096357;
14 Motion for Final Approval granted on January 31, 2023.
- 15 d. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No.
16 MSC20-01916; Motion for Final Approval granted on March 3, 2023.
- 17 e. *Varez v. Valley Connection, LLC dba Carl’s Jr.*, Merced County, Case No.
18 22CV-00985; Motion for Final Approval granted on April 27, 2023.
- 19 f. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987;
20 Motion for Final Approval granted on May 3, 2023.
- 21 g. *Ortiz v. Tara Materials, Inc.*, San Diego County, Case No. 37-2021-0001473-
22 CU-OE-CTL; Motion for Final Approval granted on May 30, 2023.
- 23 h. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-
24 2021-00293739-CU-OE-GDS; Motion for Final Approval granted on May 30,
25 2023.
- 26 i. *Garduno v. New Generation Framing, Inc., et al.*, Stanislaus County, Case No.
27 CV-21-000544; Motion for Final Approval granted on August 11, 2023.
- 28 j. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No.

- 21CECG03817; Motion for Final Approval granted on August 21, 2023.
- k. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No. CIVSB2118622; Motion for Final Approval granted on September 13, 2023.
- l. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261; Motion for Final Approval granted on October 17, 2023.
- m. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion for Final Approval granted on November 2, 2023.
- n. *Gutierrez v. Next Level Door & Millwork, Inc.*, Riverside County, Case No. CVRI2105455; Motion for Final Approval granted on January 11, 2024.
- o. *Lupercio v. Western CNC, Inc.*, San Diego County, Case No. 37-2021-00010314-CU-OE-CTL; Motion for Final Approval granted on January 26, 2024.
- p. *Jackson, et al. v. Apple Valley Communications, Inc., et al.*, San Bernardino County, Case No. CIVSB2124721; Motion for Final Approval granted on February 1, 2024.
- q. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520; Motion for Final Approval granted on February 22, 2024.
- r. *Canton, et al v. John B. Sanfilippo & Sons, Inc.*, Merced County, Case No. 22-CV-01145; Motion for Final Approval granted on March 15, 2024.
- s. *Williams v. Total Longterm Care, Inc., et al.*, San Bernardino County, Case No. CIVSB2213347; Motion for Final Approval granted on April 2, 2024.
- t. *Espinoza v. Delallo's Italian Foods, Inc.*, Butte County, Case No. 21CV02640; Motion for Final Approval granted on April 24, 2024.
- u. *Meza v. Argus Management Company, LLC, et al.*, Los Angeles County, Case No. 21STCV31612; Motion for Final Approval granted on May 20, 2024.
- v. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951; Motion for Final Approval granted on July 11, 2024.
- w. *Abarca-Rueda, et al. v. Foley Family Wines, Inc., et al.*, Sonoma County, Case

No. S-CV-268148; Motion for Final Approval granted on August 21, 2024.

x. *Aguilar v. American Pasteurization Company, Inc., et al.*, Sacramento County, Case No. 34-2021-00312027-CU-OE-GDS; Motion for Final Approval granted on September 3, 2024.

y. *Hayes, et al. v. Gonzales Park, LLC, et al.*, Butte County, Case No. 21CV02456; Motion for Final Approval granted on May 1, 2024.

z. *Arias v. The Shyft Group GTB, LLC, et al.*, Los Angeles County, Case No. 22STCV37390; Motion for Final Approval granted on December 3, 2024.

aa. *Hernandez v. KW California, et al.*, Kern County, Case No. BCV-23-100346; Motion for Final Approval Granted on December 4, 2024.

bb. *Barajas Maya v. United Facilities Group, Inc., et al.*, Santa Clara County, Case No. 22CV397353; Motion for Final Approval granted on November 22, 2024.

43. The reasonableness of my firm's hourly rates is also supported by several surveys of legal rates, including the following:

a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the real market rates of Los Angeles area attorneys who practice litigation. For that category, the third quartile 2022 rate was \$1,045 per hour for partners and \$855 for associates. Likewise, page 32 of the Report describes the rates charged by 183 Los Angeles partners with "21 or more years of experience" and "Fewer than 21 years." For those categories, the third quartile Los Angeles partner rate in 2022 were \$1,133 per hour for 21 or more years and \$1,075 for attorneys with fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate Report is attached hereto as **Exhibit 4**.

b. In an article entitled "Big Law Rates Topping \$2,000 Leave Value 'In Eye of Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author describes how Big Law firms have crossed the \$2,000-per hour rate. The article also notes that law firm rates have been increasing by just under 3% per year. A true and correct copy of this article is attached

hereto as **Exhibit 5**.

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

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

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

litigation.

47. Justin F. Marquez is a former Senior Partner at Wilshire Law Firm who was actively involved in the litigation and resolution of this matter from its inception through December 2024. He graduated from University of California, Los Angeles's College Honors Program in 2004 with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi Beta Kappa*. His practice focused primarily on advocating for the rights of consumers and employees in class action litigation and appellate litigation. He received numerous awards for his legal work: from 2017 to 2020, Super Lawyers selected him as a "Southern California Rising Star," and from 2022 to 2025, he was selected as a "Southern California Super Lawyer"; he was selected as one of the "Best Lawyers in America" from 2023 to 2025; and in 2024, he, along with his colleagues at Wilshire Law Firm, received a CLAY (California Lawyer Attorneys of the Year) award for their work on a false advertising case against Apple which ultimately led to a \$25 million settlement. He also was selected to speak at multiple CELA conferences throughout his career – in 2019, he spoke on the topic of manageability of class actions at CELA's 2019 Advanced Wage & Hour Seminar, and in 2024, he spoke on the topic of dealings with multiple cases against the same defendant at CELA's 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead in negotiating class action settlements worth over \$10 million in gross recovery to class members for each year since 2020, including over \$37.5 million in 2022 and over \$75 million in 2023

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

Executed on August 14, 2025, in Los Angeles, California.

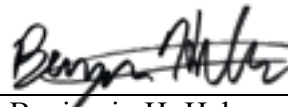

Benjamin H. Haber

Exhibit 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Settlement Agreement,” “Settlement,” or “Agreement”) is made by and between Plaintiff Elizabeth Candelario (“Plaintiff”) and Defendant Redtails Logistics Company LLC; Redtails Logistics Corporation (“Defendant”). This Agreement may sometimes refer to Plaintiff and Defendant collectively as “Parties,” or individually as a “Party.”

This Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the “Released Class Claims” and “Released PAGA Claims” (as each term are defined below) on a class and representative action basis pertaining to the “Released Parties” (as defined below) upon and subject to the terms and conditions contained herein. This Agreement, which is contingent upon final “Court” (as defined below) approval, contains the essential terms of the Parties’ agreement. The “Class Representative” and “Class Counsel” (as each term are defined below) believe, and the Parties have agreed, that the settlement set forth in this Agreement confers substantial benefits upon the “Class Members” (as defined below).

A. DEFINITIONS.

1. “Action” means the lawsuit alleging wage and hour violations against Defendant captioned *Elizabeth Candelario v. Redtails Logistics Company LLC; Redtails Logistics Corporation* initiated by Plaintiff on June 29, 2023, as amended, and pending in Superior Court of the State of California, County of Los Angeles (Case No. 23STCV15238).
2. “Administrator” means Apex Class Action, the neutral entity the Parties have agreed to appoint to administer the Settlement.
3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
4. “Aggrieved Employee” means all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the PAGA Period.
5. “Class” means all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the Class Period.
6. “Class Counsel” means Benjamin H. Haber, Daniel J. Kramer, and Chase Stern Wilshire Law Firm, PLC.
7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
8. “Class Data” means Class Members’ identifying information in Defendant’s possession, including each Class Member’s: (a) full name; (b) last-known mailing address; (c) Social

Security Number; and (d) number of Class Period Workweeks and PAGA Period Pay Periods.

9. “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).
10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Members’ mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address Database (“NCOA”), skip traces, and direct contact by the Administrator with Class Members.
11. “Class Notice” means the Court approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
12. “Class Period” means the period from August 1, 2020, through (i) the date of Preliminary Approval, or (ii) November 11, 2024, whichever date occurs earlier.
13. “Class Representative” means the named Plaintiff in the “Operative Complaint” (as defined below) in the Action seeking Court approval to serve as the Class Representative.
14. “Class Representative Service Payment” means the amount the Court authorizes to be paid to the Class Representative for initiating the Action and providing services in support of the Action, in addition to Plaintiff’s Individual Class Payment, in recognition of Plaintiff’s efforts and risks in assisting with the prosecution of the Action and in return for executing a general release with Defendant, as set forth herein.
15. “Court” means the Superior Court of California, County of Los Angeles.
16. “Defendant” means the named defendant Redtails Logistics Company LLC and Redtails Logistics Corporation.
17. “Defense Counsel” means Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
18. “Effective Date” means thirty (30) calendar days after 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: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) 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 (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

19. “Final Approval” means the Court’s order granting final approval of the Settlement following the Final Approval Hearing.
20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
21. “Gross Settlement Amount” means \$215,000, which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment.
22. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
23. “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of twenty-five percent (25%) of the PAGA Penalties calculated according to the number of pay periods worked during the PAGA Period.
24. “Judgment” means the judgment entered by the Court based upon the Final Approval. The final Judgment shall constitute a judgment respecting the Parties within the meaning and for purposes of Code of Civil Procedure sections 577, 581(d), and 904.1(a) and on the PAGA claims for purposes of enforcing the rule announced in *Arias v. Superior Court* (2009) 46 Cal.4th 969.
25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled under Labor Code section 2699, subdivision (i).
26. “LWDA PAGA Payment” means seventy-five percent (75%) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
27. “Net Settlement Amount” means the Gross Settlement Amount less the following payments in the amounts approved by the Court: (a) Individual PAGA Payments; (b) LWDA PAGA Payment; (c) Class Representative Service Payment; (d) Class Counsel Fees Payment; (e) Class Counsel Litigation Expenses Payment; and (f) Administration Expenses Payment. The Net Settlement Amount is the total amount that will be paid to Participating Class Members in the form of Individual Class Payments.
28. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
29. “Objection” refers to a written statement submitted timely by a Participating Class Member to the Administrator that contains: (a) name and case number of the Action (or reasonable portion thereof); (b) Participating Class Member’s full name, present address, email address or telephone number, last four digits of their Social Security Number for

verification purposes, approximate dates of employment, and signature; (c) specific reason(s) for the Objection; and (d) all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) for the Court to consider.

30. “Objector” refers to a Participating Class Member who has submitted an Objection.
31. “PAGA” means the Private Attorneys General Act of 2004 (Labor Code section 2698, *et seq.*).
32. “PAGA Notice” means Plaintiff’s letter sent to the LWDA and Defendant on December 9, 2021, providing notice pursuant to Labor Code section 2699.3, subd. (a).
33. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendant for at least one (1) day during the PAGA Period.
34. “PAGA Period” means the period from July 21, 2022, through (i) the date of Preliminary Approval, or (ii) November 11, 2024, whichever date occurs earlier.
35. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated seventy-five percent (75%) to the LWDA and the twenty-five percent (25%) to the Aggrieved Employees in settlement of PAGA claims.
36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
37. “Plaintiff” means Elizabeth Candelario, the named plaintiff in the Action.
38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
39. “Released Class Claims” means the claims being released as described in Section E(2) below.
40. “Released PAGA Claims” means the claims being released as described in Section E(3) below.
41. “Released Parties” (or individually, a “Released Party”) means Defendant and its past and present directors, officers, shareholders, owners, members, managing agents, attorneys, insurers, assigns, parents, subsidiaries, affiliates, predecessors, successors, business partners, contracting partners, and clients.
42. “Request for Exclusion” means a Class Member’s submission of a timely, written opt-out request to be excluded from the Class Settlement signed by the Class Member.
43. “Response Deadline” means forty-five (45) calendar days after the Administrator mails the Class Notice to Class Members 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 their Objection to the Settlement. Class Members to whom Class Notices are re-sent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the date the Response Deadline has expired. The timeliness of submitted Requests for Exclusion will be determined by valid postmark.

- 44. “Settlement” means the disposition of the Action effected by this Settlement Agreement and the Judgment.
- 45. “Workweek” means any week during which a Class Member worked for Defendant for at least one (1) day during the Class Period.

B. RECITALS.

- 1. On June 29, 2023, Plaintiff filed a wage-and-hour class action lawsuit in the Superior Court of California, County of Los Angeles, alleging violations of: (a) failure to pay minimum and straight time wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (b) failure to pay overtime wages (Cal. Lab. Code §§ 226.7, 512); (c) failure to provide meal periods (Cal. Lab. Code §§ 226.7, 512); (d) failure to authorize and permit rest periods (Cal. Lab. Code § 226.7); (e) failure to timely pay final wages at termination (Cal. Lab. Code §§ 201-203); (f) failure to provide accurate itemized wage statements (Cal. Lab. Code § 226); (g) failure to indemnify employees for expenditures (Cal. Lab. Code § 2802); and (h) unfair business practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*). On October 27, 2023, Plaintiff filed a First Amended Class and Representative Action Complaint (“Operative Complaint”) to add a cause of action for civil penalties under PAGA (Cal. Lab. Code § 2699, *et seq.*).
- 2. On July 21, 2023, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code she contends were violated and the theories supporting her contentions.
- 3. After engaging in discovery, investigations, and negotiation, the Parties remotely attended mediation with the mediator Paul Grossman on August 12, 2024, ultimately resulting in the Parties reaching a tentative settlement via a mediator’s proposal.
- 4. Defendant denies: (a) all allegations in the Operative Complaint; (b) that it violated any laws; (c) that it is liable for damages, penalties, interest, restitution, attorneys’ fees or costs, or for any other compensation or remedy with respect to anyone on account of the claims asserted in the Action; and (d) that class certification, collective action certification, or representative treatment is appropriate as to any claim in the Action for purposes other than settlement. Defendant also contends its policies, procedures, and practices comply with all applicable laws asserted in the Action. Without admitting any liability or wrongdoing whatsoever and without admitting that class certification, collective action certification, or representative treatment is appropriate for any purpose other than for settlement purposes alone, Defendant has agreed to settle the Action on the terms set forth in this Agreement, to avoid the burden, expense, and uncertainty of litigation. Any statements by Defendant

in this Agreement are made for settlement purposes only and shall under no circumstances be construed as an admission of fault or liability by Defendant.

5. Prior to mediation, Plaintiff obtained, through informal discovery, statistical data regarding the Aggrieved Employees and Class Members, payroll records, time records, and employment policies and records. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130.
6. The Court has not granted class certification.
7. The Parties, Class Counsel, and Defense Counsel represent they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement Agreement.

C. MONETARY TERMS.

1. Gross Settlement Amount. Defendant promises to pay \$215,000 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions (as defined below) of the Individual Class Payments to fully settle, resolve, and extinguish the claims in the Action. Defendant has no obligation to pay the Gross Settlement Amount (or any employer payroll taxes) prior to the deadline stated in Section D of this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
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:
 - a. To Plaintiff. A Class Representative Service Payment of no more than \$10,000 to Plaintiff (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 the request for the Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves the Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
 - b. To Class Counsel. A Class Counsel Fees Payment of no more than \$71,666.66 (one third of the Gross Settlement Amount) and a Class Counsel Litigation Expenses

Payment of no more than \$30,000. Defendant will not oppose requests for these payments provided they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Released Parties shall have no liability to Class Counsel or any other Class Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assume full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment, hold Defendant harmless, and indemnify Defendant from any dispute or controversy regarding any division or sharing of any of these payments.

- c. To the Administrator. An Administration Expenses Payment not to exceed \$15,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment is less or the Court approves payment less than \$15,000, the Administrator will allocate the remainder to the Net Settlement Amount.
- d. To Each Participating Class Member. An Individual Class Payment calculated by:
 - (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's Workweeks during the Class Period.
- i. Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of wage claims ("Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS Form W-2. Eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties ("Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on an IRS Form 1099. These allocations represent the Parties' good faith allocation based on the claims asserted and potential damages related to wages, liquidated damages, interest, and penalties. No opinion regarding the tax consequences of this Settlement to any individual Participating Class Member is being given, or will be given, by Defendant, Defense Counsel, any other Released Party, or Class Counsel. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.
- ii. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to

their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

- e. To the LWDA and Aggrieved Employees. PAGA Penalties in the sum of \$20,000 to be paid from the Gross Settlement Amount, seventy-five percent (75%) of which (\$15,000) will be allocated to the LWDA as the LWDA PAGA Payment and twenty-five percent (25%) of which (\$5,000) will be allocated to the Aggrieved Employees as their Individual PAGA Payments.
 - i. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the amount of the Aggrieved Employees' twenty-five percent (25%) share of PAGA Penalties (\$5,000) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
 - ii. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. In addition, the Administrator will report the Individual PAGA Payments on an IRS Form 1099.

D. SETTLEMENT FUNDING AND PAYMENTS.

1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimates there are approximately 535 Class Members who worked a total of approximately 22,500 Workweeks during the Class Period, and approximately 264 Aggrieved Employees who worked a total of approximately 12,645 PAGA Pay Periods. In the event the total Workweeks during the Class Period exceeds ten percent (10%) or more of 22,500 (i.e., more than 24,750), then the Gross Settlement Amount will increase by the actual percentage (i.e., if the number of Workweeks during the Class Period increases by eleven percent (11%), the Gross Settlement will increase by 11%).
2. Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount in two (2) equal installments. Defendant shall fund the first installment of the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date, and shall fund the second installment of the Gross Settlement Amount by transmitting such funds to the Administrator no later than six (6) months after the date on which the first installment is paid.
3. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Administration Expenses Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class

Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

- a. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via first-class United States Postal Service (“USPS”) mail, postage prepaid. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notices were returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees, including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notices were returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients’ mailing addresses using the NCOA.
- b. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator will remail 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 remailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced if requested by the Class Member prior to the void date.
- c. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member, thereby leaving no “unpaid residue” subject to the requirements of Code of Civil Procedure section 384, subd. (b).
- d. 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 Settlement.

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

1. Plaintiff’s Release. In addition to the claims released under Sections E(2) and E(3) below, Plaintiff and her former and present spouses, representatives, agents, heirs, administrators,

successors, and assigns agree to a general release of any and all claims, transactions, primary rights, or occurrences against Released Parties – which includes, without limitation, any and all claims which relate in any way to Plaintiff’s employment with Defendant, under State or Federal law, in tort, common law, statute, contract, or equity, whether or not pled in the Operative Complaint, including, but not limited to, any claims under the FLSA, Title VII, ADA, FEHA, ADEA, PAGA, Labor Code, or any Industrial Welfare Commission Wage Order – now existing or arising in the future, based on any act, omission, event, occurrence, primary right, or nonoccurrence from the beginning of time to the date of execution hereof (“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, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges she may discover facts or law different from, or in addition to, the facts or law Plaintiff now knows or believes to be true. But Plaintiff agrees Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

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

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

2. Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims, causes of actions, demands, debts, obligations, penalties, damages or liability of any nature whatsoever, known or unknown, based on or arising out of the facts, circumstances, or primary rights that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint (and any amendments thereto) that occurred during the Class Period and were ascertained during the Action. This release includes: (1) failure to pay minimum and straight time wages for all hours worked; (2) failure to pay overtime wages (including failure to properly calculate the regular rate of pay to those who worked overtime and earned incentive pay); (3) failure to provide meal periods (including failure to pay meal period premiums at the regular rate of pay and include non-discretionary incentive compensation); (4) failure to authorize and permit rest periods (including failure to pay rest period premiums at the regular rate of pay and include non-discretionary incentive compensation); (5) failure to pay all wages owed in a timely manner, including final wages and during employment; (6) failure to provide complete, accurate itemized wage statements; (7) failure to indemnify employees for expenditures and reimburse employees for business expenses and costs; and (8) unfair business practices and unfair

competition violations. This Release shall apply to Plaintiff and the Participating Class Members during the Class Period. Except as set forth in Section E(3) of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

3. Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts, circumstances, or primary rights stated in the Operative Complaint (and any amendments thereto) and PAGA Notice that occurred during the PAGA Period and were ascertained during the Action. This release includes any and all claims for PAGA penalties involving: (1) failure to pay minimum and straight time wages for all hours worked; (2) failure to pay overtime wages (including failure to properly calculate the regular rate of pay to those who worked overtime and earned incentive pay); (3) failure to provide meal periods (including failure to pay meal period premiums at the regular rate of pay and include non-discretionary incentive compensation); (4) failure to authorize and permit rest periods (including failure to pay rest period premiums at the regular rate of pay and include non-discretionary incentive compensation); (5) failure to pay all wages owed in a timely manner, including final wages and during employment; (6) failure to provide complete, accurate itemized wage statements; and (7) failure to indemnify employees for expenditures and reimburse employees for business expenses and costs. This Release shall apply to Plaintiff, the Aggrieved Employees, the Labor & Workforce Development Agency, and the State of California during the PAGA Period.

F. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

1. Defendant's Declaration in Support of Preliminary Approval. Defendant will prepare and deliver to Class Counsel a signed declaration from Defendant disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In the declaration, Defendant shall also 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. Due to the financial hardships Defendant has been experiencing in recent years, Defendant and Defense Counsel will also cooperate with Plaintiff and Class Counsel in submitting relevant information to the Court about Defendant's present financial condition.
2. Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (a) 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)); (b) a draft proposed of the Order Granting Preliminary Approval and Approval of PAGA Settlement; (c) a bid from the Settlement Administrator for

administering the Settlement; (d) a signed declaration from Plaintiff confirming willingness and competency to serve as Class Representative and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (e) a signed declaration from each Class Counsel firm attesting to their competency to represent the Class Members and all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiff and Class Counsel Declaration will 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.

- a. The amounts of Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding. The Court's approval or denial of any amount requested for these items are not material conditions of this Agreement and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Agreement. Any order or proceeding relating to an application for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payment shall not operate to terminate or cancel this Agreement.
 - b. If the Court declines to conditionally certify the Class or to Preliminarily Approve all material aspects of this Agreement with prejudice, this Agreement will be null and void, the Parties will have no further obligations under this Agreement, and return to their respective positions prior to mediation.
 - c. Defendant agrees it will not oppose Plaintiff's Motion for Preliminary Approval of the Settlement Agreement so long as the motion is consistent with the terms of this Settlement Agreement.
3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for: (a) expeditiously finalizing and filing the Motion for Preliminary Approval within a reasonable time after the full execution of this Agreement; (b) obtaining a prompt hearing date for the Motion for Preliminary Approval; and (c) appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Settlement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone or email, and in good faith, to modify the Settlement and otherwise satisfy the Court's concerns.

G. SETTLEMENT ADMINISTRATION.

1. Selection of Administrator. The Parties have jointly selected Apex Class Action to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. The Parties and their counsel represent they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.
4. Notice to Class Members.
 - a. Class Data. No later than twenty-one (21) calendar 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. The Class Data will not be shared with Plaintiff and Class Counsel unless expressly approved by Defendant and Defense Counsel or if a Class Member requests that their personal data be shared with Class Counsel. 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 the Class Data omitted Class Members' 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 their best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
 - b. No later than five (5) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.
 - c. Before mailing Class Notices, the Administrator shall update Class Member addresses using the NCOA. Using best efforts to perform as soon as possible and no later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data the Class Notice substantially in the form attached to this Agreement as **Exhibit A** via first-class USPS mail. The first page of the Class Notice shall prominently estimate the

dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts.

- d. No later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall remail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and remail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- e. The deadlines for Class Members' written objections, challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the forty-five (45) calendar days otherwise provided in the Class Notice for all Class Members whose notice is remailed. The Administrator will inform the Class Member of the extended deadline with the remailed Class Notice.
- f. If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone or email, and in good faith to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement no later than fourteen (14) calendar days after receipt of Class Notice or the deadline dates in the Class Notice, whichever is later.

5. Requests for Exclusion (Opt-Outs).

- a. Class Members who wish to exclude themselves (opt out of) the Class Settlement must send the Administrator by fax, email, or mail a signed written Request for Exclusion no later than forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notices are remailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's: (i) full name; (ii) present address; (iii) email address or telephone number; (iv) approximate dates of employment; (v) last four digits of Social Security Number for verification purposes; and (vi) a simple statement electing to be excluded from the Settlement along with the name and case number of the Action (or reasonable portion thereof). To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

- b. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
 - c. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits, and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Section E(2) and Section E(3) of this Agreement, regardless of whether the Participating Class Member receives the Class Notice or objects to the Settlement.
 - d. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Section E(3) of this Agreement and are eligible for an Individual PAGA Payment.
6. Defendant's Right to Withdraw. If the number of valid Requests for Exclusion identified in the Administrator exceeds five percent (5%) of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever and that neither Party will have any further obligation to perform under this Settlement provided Defendant will remain responsible for paying all settlement administration costs incurred to that point. Defendant must notify Class Counsel and the Court of its selection to withdraw no later than seven (7) calendar days after the Administrator sends the final Weekly Report. A late election will have no effect.
7. Challenges to Calculation of Workweeks and PAGA Pay Periods. Each Class Member shall have forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notices are remailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of

Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel along with the Administrator's determination of the challenges.

8. Objections to Settlement.

- a. Only Participating Class Members may object to the class action components of the Settlement and/or this Settlement Agreement, including contesting the fairness of the Settlement Agreement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment.
 - b. Participating Class Members may send signed written objections to the Administrator by fax, email, or mail. The written objection must: (i) include the name and case number of the Action (or reasonable portion thereof); (ii) indicate what the Participating Class Member is objecting to; (iii) explain why the Participating Class Member is objecting; (iv) include any facts that support the Participating Class Member's objection; and (v) include the Participating Class Member's full name, present address, email address or telephone number, last four digits of their Social Security Number for verification purposes, approximate dates of employment, and signature.
 - c. Alternatively, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than forty-five (45) calendar days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notices are remailed).
9. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
- a. Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use a website to post information of interest to Class Members. This information includes the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, Preliminary Approval, Class Notice, Motion for Final Approval, Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment, Final Approval, and Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.
 - b. Requests for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) calendar days after the expiration of the deadline for

submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing: (i) names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion; (ii) names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (iii) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid) (“Exclusion List”).

- c. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: (i) Class Notices mailed or remailed; (ii) Class Notices returned undelivered; (iii) Requests for Exclusion (whether valid or invalid) received; (iv) objections received; (v) challenges to Workweeks and/or PAGA Pay Periods received and/or resolved; and (vi) checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- d. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- e. Administrator’s Declaration. No later than sixteen (16) court days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to: (i) mailing of Class Notice; (ii) Class Notices returned as undelivered; (iii) remailing of Class Notices; (iv) attempts to locate Class Members; (v) total number of Requests for Exclusion it received (both valid or invalid) and Exclusion List; and (vi) number of written objections it received. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- f. Final Report by Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar 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.

H. MOTION FOR FINAL APPROVAL. No later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court a motion for final approval of the

Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order, and a proposed Judgment.

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) calendar court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Settlement within the meaning of this section. If the Court does not grant Final Approval of the Agreement, or if the Court's Final Approval is reversed or materially modified on appellate review, then the Parties will make a good faith effort to revise the terms of the Agreement. If that process fails, the Settlement will be null and void. In such event, the Parties reserve their rights with respect to the prosecution and defense of the Action. Any disputes arising out of or relating to this Agreement will be submitted to the mediator for resolution. The Parties will split the costs of the mediator for any such time incurred by the mediator in reaching such resolution and the Parties will bear their own attorneys' fees and other costs incurred.
3. Continuing Jurisdiction of the Court. The Parties agree after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and Settlement solely for purposes of: (a) enforcing this Agreement and/or Judgment; (b) addressing settlement administration matters; and (c) addressing such post-Judgment matters as are permitted by law.
4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their counsel, and all Participating Class Members who did not object to the Settlement as provided in this Settlement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Settlement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing any additional settlement

administration costs reasonably incurred after remittitur on a 50-50 basis. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this section if the Gross Settlement Amount remains unchanged.

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

J. ADDITIONAL PROVISIONS.

1. No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted. Moreover, nothing in this Agreement should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree class certification and representative treatment is for purposes of this Agreement only. If the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. This Agreement and Parties' willingness to settle will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this Agreement).
2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate and/or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (a) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (b) to counsel in a related matter; (c) to the extent necessary to report income to appropriate taxing authorities; (d) in response to a court order or subpoena; or (e) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with a third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This section does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
3. No Solicitation. The Parties separately agree that they and their counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from

the Judgment. Nothing in this section shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

4. No Publicity. Plaintiff and Class Counsel will not contact the media about the settlement or respond to any inquiries by the media regarding the Settlement, other than to state that the matter was amicably settled, and the Court did not find Defendants liable. Plaintiff and Class Counsel also will not post any information about the settlement on social media or their firms' websites.
5. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit shall constitute the entire agreement between the Parties relating to the Agreement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
6. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent they are authorized by Plaintiff and Defendant to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.
7. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement Agreement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. If the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement Agreement, or on any modification of the Settlement Agreement that may become necessary to implement the Settlement Agreement, the Parties will seek the assistance of the mediator and/or the Court for resolution.
8. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
9. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
10. 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. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12. Applicable Law. All terms and conditions of this Agreement and its exhibit will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.
13. 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 the Party was the drafter or participated in the drafting.
14. Confidentiality. To the extent permitted by law, all agreements made, and orders entered into during the Action and in this Agreement relating to the confidentiality of information, shall survive the execution of this Agreement.
15. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. No later than ninety (90) calendar days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
16. Headings. The descriptive heading of any section of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
17. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. If 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.
18. 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 U.S. mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Benjamin H. Haber
Daniel J. Kramer
Chase Stern
Wilshire Law Firm
660 S. Figueroa Street, Sky Lobby
Los Angeles, CA 90017
(Tel) (213) 381-9988
(Fax) (213) 381-9989

benjamin@wilshirelawfirm.com

To Defendant:

Tim L. Johnson

Yousaf M. Jafri

Keenan O'Connor

Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

4660 La Jolla Village Drive, Suite 900

San Diego, CA 92122

(Tel) (858) 652-3100

(Fax) (858) 652-3101

Tim.Johnson@ogletreedeakins.com

Yousaf.Jafri@ogletreedeakins.com

Keenan.OConnor@ogletreedeakins.com

19. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
20. Stay of Litigation. The Parties agree upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Dated: 08/14/25

Elizabeth Candelario

By: *Elizabeth Candelario*
Elizabeth Candelario (Aug 14, 2025 14:04:20 PDT)

Dated: 08/14/25

Wilshire Law Firm [Approving as to Form Only]

By: *Benjamin H. Haber*
Benjamin H. Haber, Esq.
Daniel J. Kramer, Esq.
Chase Stern, Esq.
Attorneys for Plaintiff

Dated: _____

Redtails Logistics Company LLC; Redtails Logistics Corporation, Inc.

By: _____
On behalf of Redtails Logistics Company LLC; Redtails Logistics Corporation,
Inc.

Dated: _____

Ogletree, Deakins, Nash, Smoak & Stewart, P.C. [Approving as to Form Only]

By: _____
Tim L. Johnson, Esq.
Yousaf M. Jafri, Esq.
Keenan O'Connor, Esq.
Attorneys for Defendant

Dated: _____

Elizabeth Candelario

By: _____

Dated: _____

Wilshire Law Firm [Approving as to Form Only]

By: _____

Benjamin H. Haber, Esq.

Daniel J. Kramer, Esq.

Chase Stern, Esq.

Attorneys for Plaintiff

Dated: 14-Aug-2025

Redtails Logistics Company LLC; Redtails Logistics Corporation, Inc.

DocuSigned by:


By: _____
1240433009BE4B6...

On behalf of Redtails Logistics Company LLC; Redtails Logistics Corporation,
Inc.

Dated: August 14, 2025

Ogletree, Deakins, Nash, Smoak & Stewart, P.C. [Approving as to Form Only]

By:  _____

Tim L. Johnson, Esq.

Yousaf M. Jafri, Esq.

Keenan O'Connor, Esq.

Attorneys for Defendant

Exhibit A

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

Elizabeth Candelario v. Redtails Logistics Company LLC; Redtails Logistics Corporation

(Case No. 23STCV15238)

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendant Redtails Logistics Company LLC; Redtails Logistics Corporation, Inc. (“Defendant”) for alleged wage and hour violations. The Action was filed by Plaintiff Elizabeth Candelario (“Plaintiff”), a former employee of Defendant. The Action seeks payment of:

- (1) Unpaid wages for a current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from August 1, 2020, through (i) the date of Preliminary Approval, or (ii) November 11, 2024, whichever date occurs earlier (“Class,” “Class Members,” “Class Period”); and
- (2) Penalties under the Private Attorneys General Act of 2004 (“PAGA”) for all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from July 21, 2022, through (i) the date of Preliminary Approval, or (ii) November 11, 2024, whichever date occurs earlier (“Aggrieved Employees” and “PAGA Period”).

The settlement has two main parts: (1) Class Settlement requiring Defendant to fund Individual Class Payments; and (2) PAGA Settlement requiring Defendant to fund Individual PAGA Payments.

Based on Defendant’s records, and the Parties’ current assumptions, your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive likely will be different and will depend on several 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 you worked [REDACTED] Workweeks during the Class Period and worked [REDACTED] Pay Periods during the PAGA Period. If you believe you worked more Workweeks or Pay Periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Class Notice.

The Court has already preliminarily approved the settlement and approved this Class Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Class Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the settlement and how much of the settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires 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.

If you worked for Defendant during the Class Period and/or PAGA Period, you have two (2) basic options under the settlement:

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

Defendant won't retaliate against you for any actions you take with respect to the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant covered by this settlement (Released Claims).
You Can Opt Out of the Class Settlement but not the PAGA Settlement The Opt Out Deadline is [DATE]	If you don't want to fully participate in the settlement, you can opt out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the settlement. See Section 6 of this Class Notice. You cannot opt out of the PAGA portion of the settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt out ("Participating Class Members") can object to any aspect of the settlement. The Court's decision whether to finally approve the settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Class Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [DATE]. You don't have to attend but you do have the right to

	appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Class Notice.
You Can Challenge the Calculation of Your Workweeks / Pay Periods Written Challenges Must be Submitted by [DATE]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks you worked at least one (1) day during the Class Period and how many Pay Periods you worked at least one (1) day during the PAGA Period, respectively. The number of Workweeks and number of PAGA Pay Periods you worked according to Defendant’s records is stated on the first page of this Class Notice. See Section 4 of this Class Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to: (a) pay minimum and straight time wage; (b) pay overtime wages; (c) provide meal periods; (d) authorize and permit rest periods; (e) timely pay final wages at termination; (f) provide accurate itemized wage statements; (h) indemnify employees for expenditures; and (i) comply with Business & Professions Code section 17200. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under Labor Code section 2698 (PAGA). Plaintiff is represented by attorneys Benjamin H. Haber, Daniel J. Kramer, and Chase Stern of Wilshire Law Firm.

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

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

The Court has made no determination whether Plaintiff or Defendant is correct on the merits. In the meantime, the Parties hired an experienced, neutral mediator to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful following a full day of mediation. By signing the Class Action and PAGA Settlement Agreement (“Settlement Agreement,” “Settlement,” or “Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Settlement Agreement, the Parties have negotiated a settlement that is subject to the Court’s Final Approval. Both sides agree the settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe: (1) Defendant agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the Settlement as fair, reasonable, and adequate, authorized this Class Notice, and scheduled a hearing to determine Final Approval.

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

A. Defendant Will Pay \$215,000 as the Gross Settlement Amount. Defendant agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”).

1. Assuming the Court grants Final Approval, Defendant shall fund the Gross Settlement Amount in two (2) equal installments. Defendant shall fund the first installment of the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date, and shall fund the second installment of the Gross Settlement Amount by transmitting such funds to the Administrator no later than six (6) months after the date on which the first installment is paid.
2. “Effective Date” means thirty (30) calendar days after 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: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) 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 (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

B. Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

1. Up to \$71,666.66 (one third of the Gross Settlement Amount) to Class Counsel as their Class Counsel Fees Payment and up to 30,000 as their Class Counsel Litigation Expenses Payment. To date, Class Counsel have worked and incurred expenses on the Action without payment.
2. Up to \$10,000 to Plaintiff as his Class Representative Service Payment for filing the Action, working with Class Counsel, and effectively representing the Class. The Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
3. Up to \$15,000 to the Administrator as the Administration Expenses Payment for services administering the Settlement.
4. Up to \$20,000 for PAGA Penalties, seventy-five percent (75%) of which (\$15,000) will be paid to the LWDA as the LWDA PAGA Payment and twenty-five percent

(25%) of which (\$5,000) will be paid to the Aggrieved Employees as their Individual PAGA Payments based on their PAGA Pay Periods.

- C. Right to Object. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.
- D. Net Settlement Amount Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (“Net Settlement Amount”) by making Individual Class Payments to Participating Class Members based on their Workweeks.
- E. Taxes Owed on Payments to Class Members. The Parties are asking the Court to approve an allocation of twenty percent (20%) of each Individual Class Payment to taxable wages (“Wage Portion”) and eighty percent (80%) to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.
1. While the Parties agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the settlement.
- F. Need to Promptly Cash Payment Checks. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing will be voided. The Administrator will cancel all checks not cashed by the void date. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member. If the monies represented by your check is sent to the California Controller’s Unclaimed Property Fund, you should consult the rules of the Unclaimed Property Fund for instructions on how to retrieve your money.
- G. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing that you wish to opt out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by [DATE]. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member’s: (a) full name; (b) present address; (c) email address or telephone number; (d) approximate dates of employment; (e) last four digits of Social Security Number for verification purposes; and (f) a simple statement electing to be excluded from the Settlement along with the name and case number of the Action (or reasonable portion thereof). Non-Participating Class Members will not receive Individual

Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

1. You cannot opt out of the PAGA portion of the Settlement. In other words, Non-Participating Class Members remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.
- H. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. The Parties agreed, in either case, that the Settlement will be void and: (a) Defendant will not pay any money; and (b) Class Members will not release any claims against Defendant.
- I. Administrator. The Court has appointed a neutral company Apex Class Action (“Administrator”) to send this Class Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Class Notice.
- J. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement Agreement. This means unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or its related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by the Settlement Agreement. The Participating Class Members will be bound by the following release:
1. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims, causes of actions, demands, debts, obligations, penalties, damages or liability of any nature whatsoever, known or unknown, based on or arising out of the facts, circumstances, or primary rights that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint (and any amendments thereto) that occurred during the Class Period and were ascertained during the Action. This release includes: (1) failure to pay minimum and straight time wages for all hours worked; (2) failure to pay overtime wages (including failure to properly calculate the regular rate of pay to those who worked overtime and earned incentive pay); (3) failure to provide meal periods (including failure to pay meal period premiums at the regular rate of pay and include non-discretionary incentive compensation); (4) failure to authorize and permit rest periods (including failure to pay rest period

premiums at the regular rate of pay and include non-discretionary incentive compensation); (5) failure to pay all wages owed in a timely manner, including final wages and during employment; (6) failure to provide complete, accurate itemized wage statements; (7) failure to indemnify employees for expenditures and reimburse employees for business expenses and costs; and (8) unfair business practices and unfair competition violations. This Release shall apply to Plaintiff and the Participating Class Members during the Class Period. Except as set forth in Section E(3) of the Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period

K. Aggrieved Employees' PAGA Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount and separately paid all employer payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who are Non-Participating Class Members, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by the Settlement Agreement. The Aggrieved Employees will be bound by the following release:

1. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts, circumstances, or primary rights stated in the Operative Complaint (and any amendments thereto) and PAGA Notice that occurred during the PAGA Period and were ascertained during the Action. This release includes any and all claims for PAGA penalties involving: (1) failure to pay minimum and straight time wages for all hours worked; (2) failure to pay overtime wages (including failure to properly calculate the regular rate of pay to those who worked overtime and earned incentive pay); (3) failure to provide meal periods (including failure to pay meal period premiums at the regular rate of pay and include non-discretionary incentive compensation); (4) failure to authorize and permit rest periods (including failure to pay rest period premiums at the regular rate of pay and include non-discretionary incentive compensation); (5) failure to pay all wages owed in a timely manner, including final wages and during employment; (6) failure to provide complete, accurate itemized wage statements; and (7) failure to indemnify employees for expenditures and reimburse employees for business expenses and costs. This Release shall apply to the Aggrieved Employees, the Labor & Workforce Development Agency, and the State of California during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- A. Individual Class Payments. The Administrator will calculate Individual Class Payments by: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member during the Class Period.
- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by: (a) dividing the Aggrieved Employees' twenty-five percent (25%) share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees; and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee during the PAGA Period.
- C. Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated on the first page of this Class Notice. You have until [DATE] to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. Section 9 of this Class Notice has the Administrator's contact information.
 - 1. You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or PAGA Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

- A. Participating Class Members. The Administrator will send, via first-class United States Postal Service ("USPS") mail, postage prepaid, a single check to every Participating Class Member, including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
- B. Non-Participating Class Members. The Administrator will send, via first-class USPS mail, postage prepaid, a single Individual PAGA Payment check to every Aggrieved Employee who is a Non-Participating Class Member.
- C. **Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Class Notice has the Administrator's contact information.**

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

Submit a written and signed letter with your full name, present address, email address or telephone number, approximate dates of employment, last four digits of Social Security Number for verification purposes, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Elizabeth Candelario v. Redtails Logistics Company LLC; Redtails Logistics Corporation* (Case No. 23STCV15238), and include your identifying information (full name, present address, email address or telephone number, approximate dates of employment, and last four digits of Social Security Number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [DATE], or it will be invalid. Section 9 of the Class Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what the Parties are asking the Court to approve. At least sixteen (16) court days before the [DATE] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court: (1) a Motion for Final Approval that includes, among other things, the reasons why the Settlement is fair; and (2) a Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment stating: (a) the amount Class Counsel is requesting as the Class Counsel Fees Payment and Class Counsel Litigation Expenses; and (b) the amount Plaintiff is requesting as the Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Class Notice) will send you copies of these documents at no cost to you. You can also view these documents on the Administrator's website [REDACTED] or the Court's website <http://www.lacourt.org/casesummary/ui/index.aspx>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment may wish to object. The deadline for sending written objections to the Administrator is [DATE]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Elizabeth Candelario v. Redtails Logistics Company LLC; Redtails Logistics Corporation* (Case No. 23STCV15238) and include your full name, present address, email address or telephone number, last four digits of their Social Security Number for verification purposes, approximate dates of employment, and signature. Section 9 of this Class Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [DATE] at [TIME] in Department 9 of the Superior Court of California, County of Los Angeles, located at 312 North

Spring Street, Los Angeles, California 90012. At the Final Approval Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before deciding. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything the Parties have promised to do under the Settlement Agreement. The easiest way to read the Settlement Agreement, Judgment, or any other Settlement documents is to go to Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Court's website by going to <http://www.lacourt.org/casesummary/ui/index.aspx> and entering Case No. 23STCV15238. You can also make an appointment to personally review court documents in the Clerk's Office (Room 255) at the Spring Street Courthouse by calling (213) 310-7000.

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

Class Counsel:

Benjamin H. Haber
Daniel J. Kramer
Chase Stern
Wilshire Law Firm
660 S. Figueroa Street, Sky Lobby
Los Angeles, CA 90017
(Tel) (213) 381-9988
(Fax) (213) 381-9989
benjamin.haber@wilshirelawfirm.com
daniel.kramer@wilshirelawfirm.com
chase.stern@wilshirelawfirm.com

Administrator:

[ADMINISTRATOR]
[MAILING ADDRESS]
[TELEPHONE NUMBER]
[FAX NUMBER]
[EMAIL]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Controller's Unclaimed Property Fund at https://www.sco.ca.gov/upd_msg.html for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit 2



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

Private Attorneys General Act (PAGA) – Filing

Other Document

PAGA Number (LWDA-CM-): *

*Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXXXX-XX".
[Search for PAGA Case number](#)*

Your Information (Person Who is Filing)

Your First Name *

Your Last Name *

Your Email Address *

Your Street Name, Number and Suite/Apt *

Your Mobile Phone Number

Your City *

Your Work Phone Number

Your State *

Your Zip/Postal Code *

Documents

Other Document *

Other Attachment (if any)

[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.**

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Previous Page

Submit

Rebecca Padilla

From: DIR PAGA Unit <no-reply@formassembly.com>
Sent: Thursday, August 14, 2025 3:06 PM
To: Rebecca Padilla
Subject: Thank you for your Other Response or Document Submission

08/14/2025 03:06:06 PM

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

Item submitted: Other Response or Document Submission 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:

https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7CRebecca.padilla%40wilshirelawfirm.com%7C6caffd28aa864d75890808dddb7ecc46%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C638908059818250118%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMmIsIkFOIjoiTWFPbCIslldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=nK9Qfl%2B5%2FLw0V3MGVQfHZOuq9uATLysYF3nC5lQwiDw%3D&reserved=0

Exhibit 3



Quotation Request:

Ben Haber
 Wilshire Law
 benjamin@wilshirelaw.com

Case Name:

Date:
 RFP Number:

Candelario v. Redtails

Monday, August 11, 2025
 206270001

Prepared By:

Michael Sutherland
 Apex Class Action LLC
 mike@apexclassaction.com
 321.223.5067

Settlement Specifications	
Estimated Class Size:	550
Certified Language Translation:	Yes
Interactive Settlement Website:	Yes
Percentage of Undeliverable Mail:	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	\$125.00	3	\$375.00
Data Analyst	Per Hour	\$150.00	3	\$450.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr.				
Sub Total:				\$825.00

Mailing of Class Notice				
Form Set Up	Per Hour	\$120.00	1	WAIVED
Print & Mail Class Notice	Per Piece	\$1.25	550	\$687.50
USPS First Class Postage	Per Piece	\$0.74	550	\$407.00
Remail Undeliverable Mail (Skip-Trace)	Per Piece	\$2.00	55	\$110.00
Receive and Process Undeliverable Mail	Per Hour	\$75.00	2	\$150.00
Process Class Member Correspondence via mail, e-mail & fax	Per Piece	\$75.00	3	\$225.00
NCOA Address Update (USPS)	Static Rate	\$185.00	1	\$185.00
Certified Language Translation: Spanish	Static Rate	\$1,200.00	1	\$1,200.00
Sub Total:				\$3,408.63

Project Management				
Project Management	Per Hour	\$150.00	3	\$450.00
Project Coordinator	Per Hour	\$90.00	2	\$180.00
Data Analyst and Reporting	Per Hour	\$140.00	2	\$280.00
Sub Total:				\$910.00



APEX

CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	\$289.37	1	\$289.37
Settlement Status Reports	Static Rate	\$750.00	1	WAIVED
Sub Total:				\$789.37

Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	\$120.00	3	\$360.00
Account Management and Reconciliation	Per Hour	\$140.00	3	\$420.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	\$1.25	550	\$687.50
USPS First Class Postage	Per Piece	\$0.74	550	\$407.00
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$1.50	55	\$82.50
Individual Income Tax Preparation & Reporting	Per Hour	\$150.00	6	\$900.00
QSF Income Tax Reporting (per calendar year)-2025	Per Year	\$1,500.00	1	\$1,500.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	\$500.00	1	\$500.00
Sub Total:				\$4,857.00

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	\$135.00	2	\$270.00
Project Management Reconciliation	Per Hour	\$100.00	2	\$200.00
Declarations	Per Hour	\$120.00	2	\$240.00
Sub Total:				\$710.00

TOTAL ESTIMATED ADMINISTRATION COST:				\$11,500.00
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Thank you for your business!



Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. **Apex warrants** that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this term may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. **Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.**

13. **Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of \$1.50 per storage box for paper documents and \$0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.**

14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. **This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.**

16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. **The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.**

18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

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).

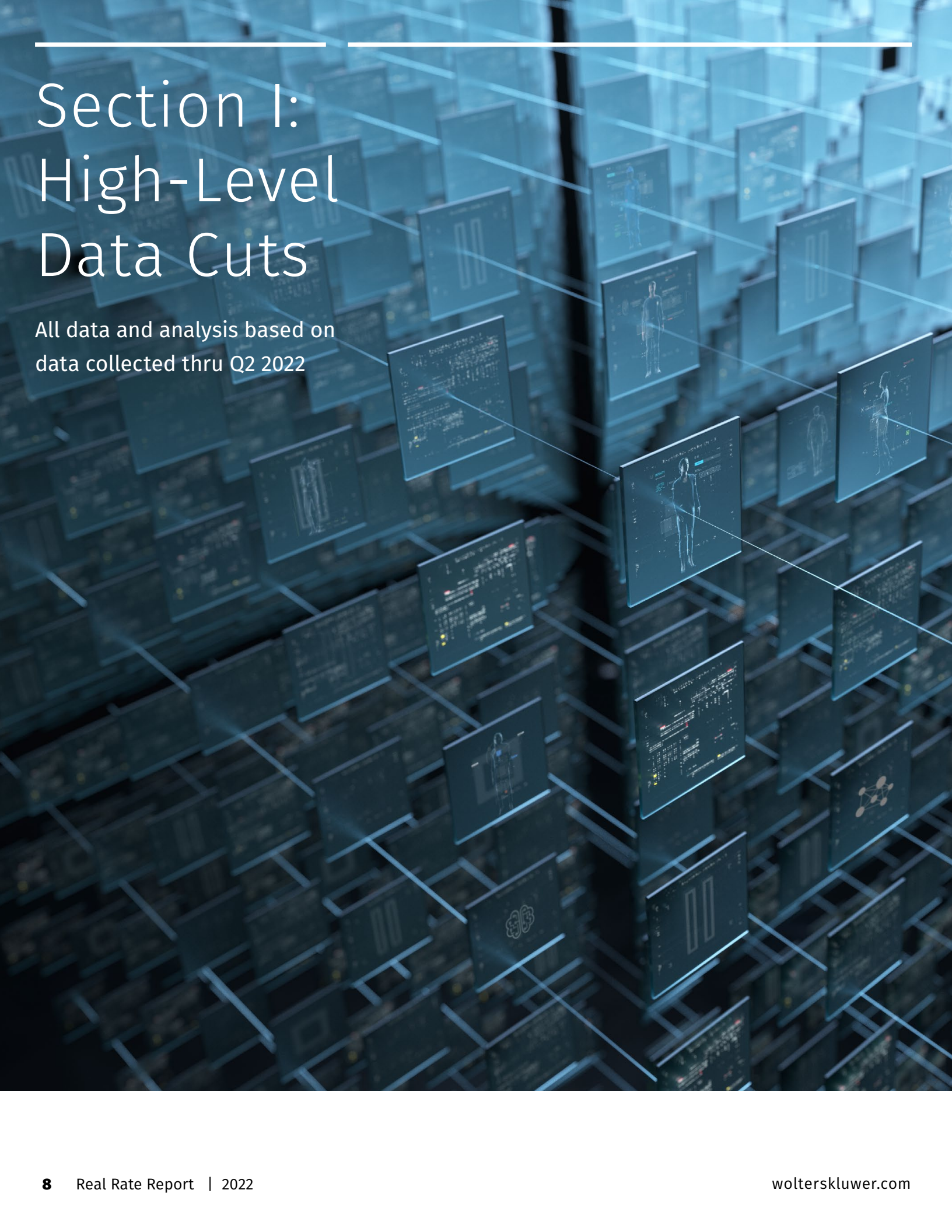
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural 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
Nashville TN	Litigation	Partner	24	\$275	\$320	\$456	\$363	\$378	\$403
	Non-Litigation	Partner	78	\$412	\$484	\$576	\$505	\$481	\$470
		Associate	59	\$270	\$330	\$384	\$340	\$315	\$285
New Orleans LA	Litigation	Partner	47	\$290	\$332	\$412	\$343	\$330	\$340
		Associate	42	\$231	\$243	\$340	\$278	\$290	\$275
	Non-Litigation	Partner	32	\$295	\$347	\$405	\$419	\$380	\$391
		Associate	21	\$244	\$250	\$278	\$273	\$303	\$258
New York NY	Litigation	Partner	614	\$475	\$675	\$1,088	\$808	\$784	\$746
		Associate	631	\$323	\$460	\$729	\$545	\$527	\$509
	Non-Litigation	Partner	1,376	\$765	\$1,235	\$1,638	\$1,189	\$1,139	\$1,090
		Associate	1,809	\$550	\$776	\$1,050	\$796	\$766	\$716
Oklahoma City OK	Non-Litigation	Partner	14	\$235	\$338	\$393	\$337	\$319	\$311
Omaha NE	Litigation	Partner	12	\$293	\$339	\$353	\$329	\$338	\$341

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

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



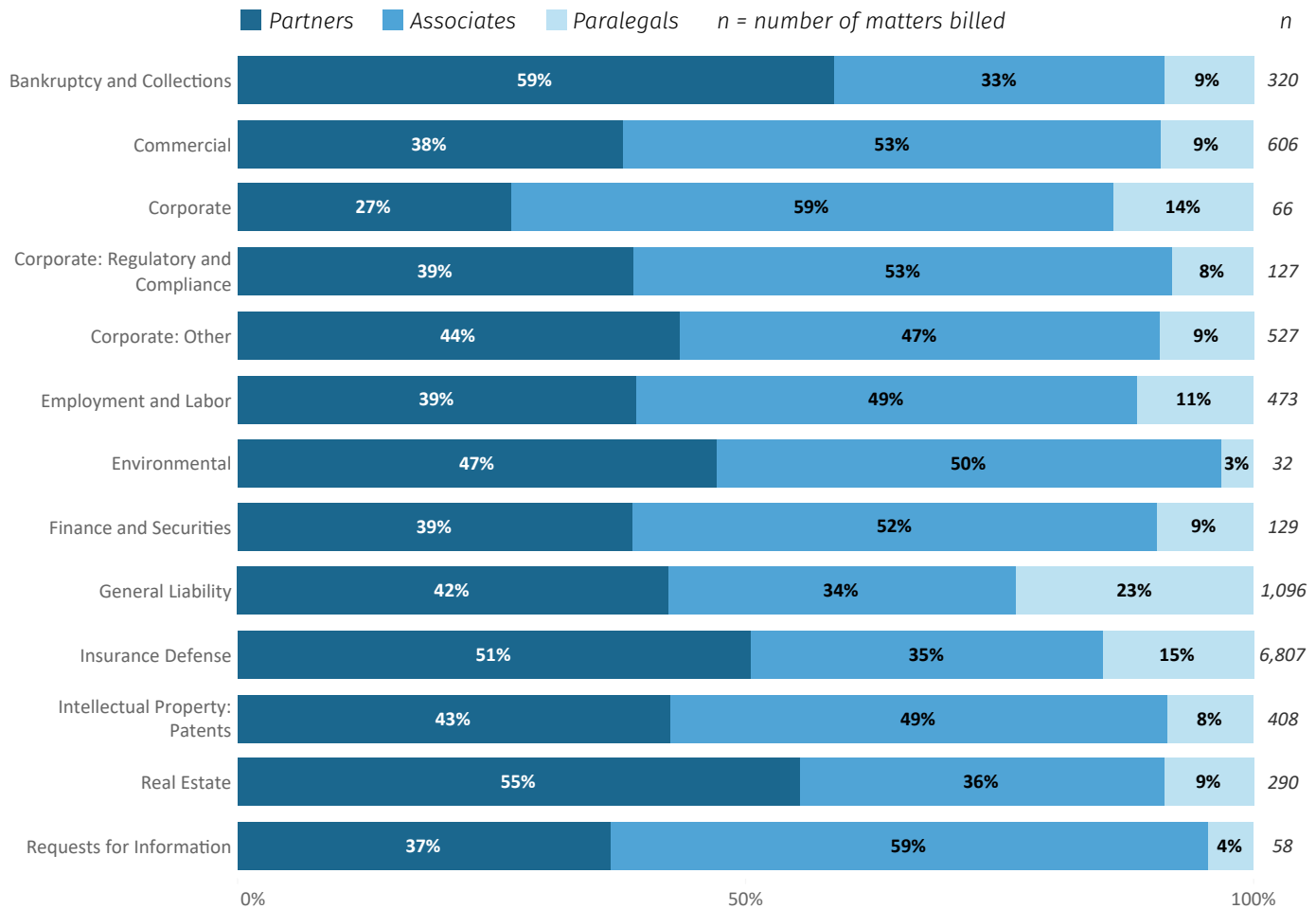
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter





Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate¹

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

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

Employment and Labor

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

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

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

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

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

General Liability

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

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

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

Exhibit 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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STATE OF CALIFORNIA)
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COUNTY OF LOS ANGELES)

I, Rebecca Padilla, state that I am employed in the aforesaid County, State of California; I am over the age of eighteen years and not a party to the within action; my business address is 660 S. Figueroa St, Sky Lobby, Los Angeles, California 90017. My electronic service address is rebecca.padilla@wilshirelawfirm.com.

On August 14, 2025, I served the foregoing **DECLARATION OF BENJAMIN H. HABER IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**, on the interested parties by placing a true copy thereof, enclosed in a sealed envelope by following one of the methods of service as follows:

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Attorneys for Defendant

(X) **BY UPLOAD:** I hereby certify that the documents were uploaded by my office to the State of California Labor and Workforce Development Agency Online Filing Site.

(X) **BY ELECTRONIC SERVICE:** Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be sent to the persons at the electronic service addresses listed above via third-party cloud service **CASEANYWHERE**.

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

Executed on **August 14, 2025**, at Los Angeles, California.

Rebecca Padilla