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10 Attorneys for Plaintiffs

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

12 **FOR THE COUNTY OF LOS ANGELES**

13 FERNANDO ALBERTO ACEVEDO,
14 ANTHONY GUZMAN, FERNANDO
15 HIPOLITO, and VANESSA OLMOS-CORTES,
16 individually, on behalf of all others similarly
17 situated, and on behalf of the State of California
18 and other aggrieved persons,

19 *Plaintiffs,*

20 v.

21 CROCS RETAIL, LLC, a limited liability
22 company; and DOES 1 through 10, inclusive,

23 *Defendants.*

Case No.: 23STCV15354

CLASS & REPRESENTATIVE ACTION

[Assigned to: Hon. Elihu M. Berle, Dept. 6]

**DECLARATION OF ARRASH T.
FATTAHI IN SUPPORT OF PLAINTIFFS'
MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT**

[Filed concurrently with: Plaintiffs' Motion for
Final Approval; and Declaration of Kaylie
O'Connor]

FINAL APPROVAL HEARING

Date: July 17, 2025

Time: 9:00 a.m.

Department: 6

I, Arrash T. Fattahi, declare as follows:

CASE BACKGROUND

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

4. On June 30, 2023, Plaintiff Acevedo filed a putative wage and hour class action complaint against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices. On December 20, 2024, Plaintiff Acevedo filed a First Amended Class & Representative

1 Action Complaint adding a PAGA cause of action and Plaintiffs Anthony Guzman, Fernando
2 Hipolito, and Vanessa Olmos-Cortes as named plaintiffs to the matter.

3 DISCOVERY AND INVESTIGATION

4 5. Following the filing of the initial complaint, the Parties exchanged documents and
5 information before mediating this action. Defendant produced a sample of timekeeping and pay
6 records for class members. Defendant also provided in its informal discovery responses documents
7 regarding its wage and hour policies and practices during the class period, the provision of meal
8 and rest breaks, issuance of wage statements, and providing all wages at separation, as well as
9 information regarding the number of putative class members and the mix of current versus former
10 employees, the wage rates in effect, and the amount of meal and rest period premium wages paid
11 to class members.

12 6. After reviewing documents regarding Defendant's wage and hour policies and
13 practices and analyzing Defendant's timekeeping and payroll records, my office was able to
14 evaluate the probability of class certification, success on the merits, and Defendant's maximum
15 monetary exposure for all claims. My office also investigated the applicable law regarding the
16 claims and defenses asserted in the litigation. My office reviewed these records and prepared a
17 damages analysis prior to mediation. Thus, we and our clients were able to act intelligently and
18 effectively in negotiating the proposed Settlement.

19 SETTLEMENT NEGOTIATIONS, PRELIMINARY APPROVAL, AND CLASS SIZE

20 7. On May 13, 2024, the Parties participated in a private mediation session with
21 experienced class action mediator, Steve Rottman, Esq. The mediation was conducted via Zoom.
22 The settlement negotiations were at arm's length and, although conducted in a professional manner,
23 were adversarial and extensive. The Parties went into the mediation willing to explore the potential
24 for a settlement of the dispute, but each side was also prepared to litigate their position through
25 trial and appeal if a settlement had not been reached.

26 8. After extensive negotiations and discussions regarding the strengths and
27 weaknesses of Plaintiffs' claims and Defendant's defenses, the Parties reached a settlement, the
28 material terms of which are encompassed within the Settlement. Attached as **Exhibit 1** is a true

1 and correct copy of the Amended Class and PAGA Settlement Agreement (“Settlement” or
2 “Settlement Agreement”).

3 9. My office has conducted a thorough investigation into the facts of this case. Based
4 on the foregoing discovery and our own independent investigation and evaluation, we are of the
5 opinion that the Settlement is fair, reasonable, and adequate and is in the best interests of the
6 Settlement Class Members in light of all known facts and circumstances, the risk of significant
7 delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial
8 risk, and appellate risk. The settlement obviates the significant risk that this Court may deny
9 certification of all or some of Plaintiffs’ claims. While we are confident in the merits of Plaintiffs’
10 claims, a legitimate controversy exists as to each cause of action. We and our clients also recognize
11 that proving the amount of wages due to each Class Member would be an expensive, time-
12 consuming, and uncertain proposition. Furthermore, even if Plaintiffs obtained certification of all
13 or some of the claims, continued litigation would be expensive, involving a trial and possible
14 appeals, and would substantially delay and reduce any recovery by the class. Because of the
15 proposed Settlement, class members will receive timely, guaranteed relief and will avoid the risk
16 of an unfavorable judgment. When considering the risks of litigation, the uncertainties involved
17 in achieving class certification, the burdens of proof necessary to establish liability, the probability
18 of appeal of a favorable judgment, it is clear that the settlement amount of \$1,000,000.00 is within
19 the “ballpark” of reasonableness.

20 10. My office submitted the Settlement to the LWDA before filing the Motion for
21 Preliminary Approval. On March 14, 2025, this Court granted Plaintiffs’ Motion for Preliminary
22 Approval of Class Action Settlement.

23 ENHANCEMENT AWARDS FOR PLAINTIFFS ARE REASONABLE

24 11. On behalf of my office, I represent that Plaintiffs devoted a great deal of time and
25 work assisting counsel in the case, communicated with counsel very frequently for litigation and
26 to prepare for mediation, and were frequently in contact with Class Counsel during the mediation.
27 Plaintiffs’ requested enhancement awards are reasonable particularly in light of the substantial
28 benefits Plaintiffs generated for all class members. Under the settlement agreement, subject to the

1 Court's approval, Defendant agreed to pay Service Awards in the amount of \$7,500.00 to each
2 named Plaintiff (\$30,000.00 total). This amount is also in exchange for Plaintiffs' general release
3 of all claims against Defendant. Plaintiffs submitted declarations in support of Plaintiffs' Motion
4 for Preliminary Approval of Class Action Settlement which demonstrated that they each devoted,
5 on average, at least **33 hours** of time and work assisting counsel in the case from the start of
6 retaining Class Counsel, including communicating with counsel very frequently in the course of
7 litigation and to prepare for mediation.

8 12. Throughout this litigation, Plaintiffs, who are former employees of Defendant, have
9 cooperated immensely with my office and have taken many actions to protect the interests of the
10 class. Plaintiffs provided valuable information regarding the off-the-clock, meal period, and rest
11 period claims. Plaintiffs also informed my office of developments and information relevant to this
12 action, participated in decisions concerning this action, and were available to answer questions
13 during the mediation. Before we filed this case, Plaintiffs provided my office with documents
14 regarding the claims alleged in this action. The information and documentation provided by
15 Plaintiffs were instrumental in establishing the wage and hour violations alleged in this action, and
16 the recovery provided for in the Settlement Agreement would have been impossible to obtain
17 without Plaintiffs' participation.

18 13. At the same time, Plaintiffs faced many risks in adding themselves and acting as the
19 class representatives in this matter. Plaintiffs faced actual risks with their future employment, as
20 putting themselves on public record in an employment lawsuit could also very well affect their
21 likelihood for future employment. Furthermore, as part of this Settlement, Plaintiffs are executing
22 general releases of all claims against Defendant.

23 14. In turn, class members will now have the opportunity to participate in a settlement,
24 reimbursing them for alleged wage violations they may have never known about on their own or
25 been willing to pursue on their own. If these class members would have each tried to pursue their
26 legal remedies on their own, that would have resulted in each having to expend a significant amount
27 of their own monetary resources and time, which were obviated by Plaintiffs being put on the line
28 on behalf of these other class members.

1 15. In the final analysis, this class action would not have been possible without the aid
2 of Plaintiffs, who put their own time and effort into this litigation, sacrificed the value of their own
3 individual claims, and placed themselves at risk for the sake of the class members. The requested
4 enhancement awards for Plaintiffs for their service as the class representatives and for their general
5 release of all individual claims is a relatively small amount of money when the time and effort put
6 into the litigation are considered and in comparison to enhancements granted in other class actions.
7 The requested incentive awards are therefore reasonable to compensate Plaintiffs for active
8 participation in this lawsuit.

9 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

10 16. The Settlement provides for attorneys' fees payable to Class Counsel in an amount
11 up to one-third (1/3) of the Settlement Amount, for a maximum fees award of \$333,333.33, plus
12 actual costs and expenses not to exceed \$35,000.00.

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

Person	Role	Hours	Rate	Lodestar
Arrash T. Fattahi	Junior Partner	94	\$750	\$70,500
Arman A. Salehi	Associate Attorney	22	\$500	\$11,000
Bradford Smith	Settlement Attorney	9.3	\$500	\$4,650
John O. Bishay	Associate Attorney	4	\$450	\$1,800
Justin F. Marquez	Senior Partner	36 ¹	\$1,500	\$54,000
Total:		165.3		\$141,950

14 18. Wilshire Law Firm, PLC has spent approximately 166 hours, for a lodestar of
15 \$141,950 litigating this action to bring it to resolution, not including time which will be expended
16 monitoring the administration of the settlement and distribution of funds to the Class Members.
17 The efforts expended by my office to achieve this result include, but are not limited to, the
18 following:
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27 ¹ As stated below, Justin F. Marquez is no longer with Wilshire Law Firm, PLC. I have conservatively
28 estimated 36 hours of work by Mr. Marquez on this matter, which includes, but is not limited to, editing the mediation
brief, attending the mediation, and discussing the matter with team members.

- a. the investigation of the matter, including meeting with Plaintiffs, reviewing Defendant's policies, and requesting and reviewing Plaintiffs' time and pay records, personnel file, and exploring the corporate structure of Defendant;
- b. filing the Action;
- c. meeting and conferring with Defendant's counsel regarding the case;
- d. meeting and conferring with Defendant regarding mediation, exchange of informal discovery beforehand, and negotiating with opposing counsel regarding the parameters thereof;
- e. selecting a mediator and mediation date;
- f. working with opposing counsel and expert consultants for the receipt of a representative sampling and analyzing the same with the aid of expert consultants and Plaintiffs to perform analyses of liability and exposure prior to attendance of the mediation in this matter;
- g. reviewing policy documents from Defendant and researching applicable defenses;
- h. preparation of a mediation brief and damages model for use at mediation;
- i. attendance at mediation by all Parties and Counsel;
- j. communicating with Plaintiffs;
- k. negotiating, finalizing and fully executing the settlement agreement;
- l. preparing and filing the Motion for Preliminary Approval and supporting documents;
- m. communicating with the Settlement Administrator to ensure the Class Notice was properly distributed; and
- n. preparing the instant Motion for Final Approval and supporting documents.

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

20. I am informed and believe that the fee and costs provision is reasonable. The fee percentage requested is less than that charged by my office for most employment cases. My office invested significant time and resources into the case, with payment deferred to the end of the case,

1 and then, of course, contingent on the outcome.

2 21. It is further estimated that my office will need to expend additional hours to ensure
3 that payments are made to the class. My office also bears the risk of taking whatever actions are
4 necessary if Defendant fails to pay.

5 22. We can provide billing records in the event the Court requests them, but we would
6 request the opportunity to redact attorney-client privileged information and any other privileged
7 information.

8 23. My office has been the only counsel to represent Class Members in this matter and
9 have borne the entire risk and costs of litigation purely on a contingency basis. Our outlay of time
10 and money in this case has been significant. This case required experienced and competent lawyers
11 and expertise in the issues presented herein. Defendant's contentions underscore the risk of
12 prevailing at class certification and trial, and any of these obstacles could have prevented recovery
13 completely. Further, proceeding to trial would have added years to the resolution of this case
14 because of the difficult legal and factual issues raised and the likelihood of appeals. Despite these
15 risks, my office took this case on a contingency basis. Yet, there are only so many cases that my
16 office can take at any one time. Consequently, there were other meritorious cases presented to my
17 office that would have generated substantial fees but were declined and/or could not be focused on
18 during the pendency of this action in order to devote the attention necessary to achieve favorable
19 results. The risk to my office has been very significant, particularly if we would not be successful
20 in pursuing this class action. In that case, we would have been left with no compensation for all
21 the time taken in litigating this case. The contingent risk in these types of cases is very real and
22 they do occur regularly.

23 24. Because most individuals cannot afford to pay for representation in litigation on an
24 hourly basis, Wilshire Law Firm, PLC, represents virtually all of its employment law clients on a
25 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
26 we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm, PLC, is
27 taking the risk that we will not be reimbursed for our time unless our client settles or wins his or
28 her case, we cannot afford to represent an individual employee on a contingency basis if, at the

1 end of our representation, all we are to receive is our regular hourly rate for services. It is essential
2 that we recover more than our regular hourly rate when we win if we are to remain in practice so
3 as to be able to continue representing other individuals in civil rights employment disputes.

4 25. As of the date of drafting this Motion, my office has incurred approximately
5 \$25,236.72 in costs litigating this action, and we anticipate incurring at least \$300 in additional
6 costs up to the time the Court enters a judgment in this action and schedules a hearing on
7 distribution. Accordingly, my office respectfully requests reimbursement of \$25,536.72 in
8 expenses, which should be reimbursed in full. These expenses were reasonably necessary to the
9 litigation and were actually incurred by my office. Attached as **Exhibit 2** is a list of the costs and
10 the categories of costs for the costs incurred in this case to date.

11 MY EXPERIENCE AND QUALIFICATIONS

12 26. Wilshire Law Firm, PLC, was selected by Best Lawyers and U.S. News & World
13 Report as one of the nation's Best Law Firms for every year since 2020 and comprises over 120
14 attorneys and over 600 employees. Wilshire Law Firm, PLC, is actively and continuously
15 practicing in employment litigation, representing employees in both individual and class actions
16 in both state and federal courts throughout California.

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

22 28. I graduated from the University of California, Los Angeles with a Bachelor of Arts
23 in Political Science, *summa cum laude*. I received my Juris Doctor from The George Washington
24 University Law School. During law school, I was a member of the student editorial board for the
25 Federal Circuit Bar Journal.

26 29. My practice is focused on advocating for the rights of consumers and employees in
27 class action litigation and appellate litigation. I am currently the managing attorney in charge of
28 litigating several class action cases in state and federal courts in California.

1 30. As the attorney responsible for day-to-day management of this matter at the
2 Wilshire Law Firm, PLC, I have over four years of experience litigating wage and hour class
3 actions. Over the last four plus years, I have managed and assisted with the litigation and
4 settlement of several wage and hour class actions. In those class actions, I performed similar tasks
5 as those performed in the course of prosecuting this action.

6 31. I was also selected as a “Southern California Rising Star” in 2025.

7 32. My current contingent billing rate of \$750.00 per hour is consistent with the legal
8 market, accepted hourly rates, and my expertise and knowledge as it pertains to wage and hour
9 matters. Below is a non-exhaustive list of the cases where I have been appointed as class counsel
10 in my own right (as opposed to being part of a firmwide appointment of counsel):

- 11 a. *Kingsbury v. Caravan Foods II, Inc.*, Alameda County, Case No. RG21096357;
12 Motion for Final Approval granted on January 31, 2023.
- 13 b. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No. MSC20-
14 01916; Motion for Final Approval granted on March 3, 2023.
- 15 c. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987;
16 Motion for Final Approval granted on May 3, 2023.
- 17 d. *Ortiz v. Tara Materials, Inc.*, San Diego County, Case No. 37-2021-0001473-
18 CUOE-CTL; Motion for Final Approval granted on May 30, 2023.
- 19 e. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-2021-
20 00293739-CU-OE-GDS; Motion for Final Approval granted on May 30, 2023.
- 21 f. *Garduno v. New Generation Framing, Inc.*, et al., Stanislaus County, Case No. CV-
22 21-000544; Motion for Final Approval granted on August 11, 2023.
- 23 g. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No.
24 21CECG03817; Motion for Final Approval granted on August 21, 2023.
- 25 h. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No.
26 CIVSB2118622; Motion for Final Approval granted on September 13, 2023.
- 27 i. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261;
28 Motion for Final Approval granted on October 17, 2023.

- j. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion for Final Approval granted on November 2, 2023.
- k. *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.
- l. *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.
- m. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520; Motion for Final Approval granted on February 22, 2024.
- n. *Williams v. Total Longterm Care, Inc.*, et al., San Bernardino County, Case No. CIVSB2213347; Motion for Final Approval granted on April 2, 2024.
- o. *Meza v. Argus Management Company, LLC, et al.*, Los Angeles County, Case No. 21STCV31612; Motion for Final Approval granted on May 20, 2024.
- p. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951; Motion for Final Approval granted on July 11, 2024.
- q. *Snell v. Shasta Community Health Center*, Shasta County, Case No. CVCV22-199416; Motion for Final Approval granted on November 12, 2024.
- r. *Arce v. Sammy's Woodfired Pizza*, San Diego County, Case No. 37-2023-00037670-CU-OE-CTL; Motion for Final Approval granted on January 10, 2025.
- s. *Ochoa, et al. v. La Tavola, LLC*, Napa County, Case No. 22CV000862; Motion for Final Approval granted on January 23, 2025.
- t. *Brown, et al. v. Fidelity Security Services, Inc.*, Los Angeles County, Case No. 21STCV31617; Motion for Final Approval granted on January 28, 2025.

33. Arman A. Salehi is a second-year Associate Attorney at Wilshire Law Firm, PLC. He was admitted to practice law in the State of California and the Central and Northern Districts of California in February 2024. Arman graduated from the University of California, Los Angeles with a Bachelor of Arts in Sociology. He received his Juris Doctor from the University of California College of the Law, San Francisco (formerly known as UC Hastings). Since November 2023, his practice has mainly been focused on wage and hour class action litigation. His contingent

1 hourly rate for this matter is \$500 per hour.

2 34. Bradford Smith is a Law and Motion Attorney at Wilshire Law Firm. He graduated
3 from the University of California, Irvine with a Bachelor of Arts in History and received his Juris
4 Doctor from Loyola Law School, Los Angeles in 2022. He was admitted to practice law in the
5 State of California in 2022. Before joining Wilshire Law Firm, he worked at a law firm specializing
6 in insurance defense litigation. His focus now is on wage and hour class action litigation. His
7 contingent hourly rate for this matter is \$500 per hour.

8 35. John O. Bishay is a first-year Associate Attorney at Wilshire Law Firm, PLC. He
9 was admitted to practice law in the State of California in December 2024. John graduated from
10 the University of California, Riverside with a Bachelor of Arts in Philosophy, and received his
11 Juris Doctor from the Chapman University Dale E. Fowler School of Law. Since his admission to
12 the State Bar, his practice has primarily focused on wage and hour class action litigation. His
13 contingent hourly rate for this matter is \$450 per hour.

14 36. Justin F. Marquez *was* a Senior Partner at Wilshire Law Firm, PLC.² He graduated
15 from the University of California, Los Angeles's College Honors Program in 2004 with Bachelor
16 of Arts degrees in History and Japanese, *magna cum laude* and *Phi Beta Kappa*. As an
17 undergraduate, he also received a scholarship to study abroad for one year at Tokyo University in
18 Tokyo, Japan. He received his Juris Doctor from Notre Dame Law School in 2008. He has
19 received numerous awards for his legal work. From 2017 to 2020, Super Lawyers selected him as
20 a "Southern California Rising Star," and from 2022 to 2025, he was selected as a "Southern
21 California Super Lawyer." He was selected as one of the "Best Lawyers in America" from 2023
22 to 2025. In 2016 and 2017, the National Trial Lawyers selected him as a "Top 40 Under 40"
23 attorney. In 2024, he, along with his colleagues at Wilshire Law Firm, PLC, received a CLAY
24 (California Lawyer Attorneys of the Year) award for his work on a false advertising case against
25 Apple which ultimately led to a \$25 million settlement. His contingent hourly rate while at
26 Wilshire Law Firm, PLC was \$1,500 per hour. The reasonableness of Wilshire Law Firm, PLC's
27 hourly rates is also supported by several surveys of legal rates, including the following:

28 ² Justin F. Marquez no longer works for Wilshire Law Firm, PLC.

1 a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the
2 real market rates of Los Angeles area attorneys who practice litigation. For that
3 category, the third quartile 2022 rate was \$1,045 per hour for partners and \$855 for
4 associates. Likewise, page 32 of the Report describes the rates charged by 183 Los
5 Angeles partners with “21 or more years of experience” and “Fewer than 21 years.”
6 For those categories, the third quartile Los Angeles partner rate in 2022 were \$1,133
7 per hour for 21 or more years and \$1,075 for attorneys with fewer than 21 years. A
8 true and correct copy of portions of the 2022 Real Rate Report is attached hereto as
9 **Exhibit 3.**

10 b. In an article entitled “Big Law Rates Topping \$2,000 Leave Value ‘In Eye of
11 Beholder,’” written by Roy Strom and published by Bloomberg Law on June 9,
12 2022, the author describes how Big Law firms have crossed the \$2,000-per hour
13 rate. The article also notes that law firm rates have been increasing by just under
14 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 4.**

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

17 Executed on May 20, 2025, at Los Angeles, California.

18 

19 _____
20 Arrash T. Fattahi
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Exhibit 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

SPRING STREET COURTHOUSE

FERNANDO ALBERTO ACEVEDO,
individually, and on behalf of all others
similarly situated,

Plaintiff,

v.

CROCS RETAIL, LLC, a limited liability
company; and DOES 1 through 10,
inclusive,

Defendants.

CASE NO.: 23STCV15354

*Assigned for all purposes to the
Honorable Elihu Berle, Dept. 6*

**AMENDED CLASS AND PAGA
SETTLEMENT AGREEMENT**

Action Filed: June 30, 2023

Trial Date: None Set

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and
between plaintiffs Fernando Alberto Acevedo ("Acevedo"), Anthony Guzman ("Guzman"),

Fernando Hipolito (“Hipolito”), and Vanessa Olmos-Cortes (“Olmos-Cortes”) (collectively, “Plaintiffs”) and defendant Crocs Retail, LLC (“Crocs”). The Agreement refers to Plaintiffs and Crocs collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

1.1. “Action” means Plaintiffs’ lawsuits alleging wage-and-hour violations against Crocs, captioned *Fernando Alberto Acevedo v. Crocs Retail, LLC*, Case No. 23STCV15354, initiated on June 30, 2023 (the “Class Action”), and *Fernando Alberto Acevedo et al. v. Crocs Retail, LLC*, Case No. 24NNCV01096 (the “PAGA Action”), both of which are currently pending in the Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means the neutral entity the Parties have agreed to appoint to administer the Settlement, as set forth in Paragraph 9.1 herein.

1.3. “Administrator 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.

1.4. “Aggrieved Employee” means a person employed as an hourly, non-exempt employee by Crocs in California during the PAGA Period.

1.5. “Class” means all persons employed as hourly, non-exempt employees by Crocs in California during the Class Period.

1.6. “Class Counsel” means Arrash T. Fattahi and Arman A. Salehi of the Wilshire Law Firm.

1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8. “Class List” means Class Member identifying information in Crocs’ custody, possession, or control, including Class Members’ respective (1) names; (2) last known mailing addresses; (3) Social Security Numbers; (4) Workweeks; and (5) PAGA Pay Periods.

1.9. “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).

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

1.11. “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 in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from January 3, 2019, through December 31, 2024.

1.13. “Class Representatives” means the named plaintiffs in the operative complaints in the Action seeking Court approval to serve as class representatives, namely, Acevedo, Guzman, Hipolito, and Olmos-Cortes, with each a “Class Representative.”

1.14. “Class Representative Service Payments” means the payments to Class Representatives for initiating the Action, providing services in support of the Action, and executing the general release of claims set forth herein.

1.15. “Court” means the Superior Court of California, County of Los Angeles.

1.16. “Defense Counsel” means Glenn L. Briggs, Kymberleigh Damron-Hsiao, and Stanley Stringfellow of Kading Briggs LLP.

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

1.18. "Final Approval" means the Court's order granting final approval of the Settlement.

1.19. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.20. "Gross Settlement Amount" means the total amount Crocs agrees to pay under the Settlement, except as provided in Paragraph 5, below. In addition to the Gross Settlement Amount, Crocs shall pay any and all employer payroll taxes owed on the portion of the Individual Class Payments allocated to settlement of wage claims (the "Wage Portion"). The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Expenses Payment, the Class Representative Service Payments, and the Administrator Expenses Payment.

1.21. "Individual Class Payment" means a Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.22. "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.23. "Judgment" means the judgment entered by the Court based upon Final Approval.

1.24. "LWDA" means the California Labor and Workforce Development Agency.

1.25. "LWDA PAGA Payment" means the 75% portion of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.26. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administrator Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

1.28. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Crocs for at least one day during the PAGA Period.

1.29. "PAGA Period" means the period from February 14, 2023, through December 31, 2024.

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

1.31. "PAGA Notices" means Plaintiffs' letters dated July 7, 2023, and March 1, 2024, to Crocs and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.32. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.

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

1.34. "Preliminary Approval" means the Court's order granting preliminary approval of the Settlement.

1.35. "Released Parties" means: Crocs and its former, present, and future owners, parents, affiliates, subsidiaries, officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, attorneys, accountants, insurers, reinsurers, and legal representatives.

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

1.37. "Response Deadline" means forty-five (45) days after the Administrator mails 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 his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the date the Response Deadline has expired.

1.38. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.39. "Workweek" means any week during which a Class Member worked for Crocs at least one day during the Class Period.

2. RECITALS

2.1. On June 30, 2023, Acevedo initiated the Class Action by filing a Class Action Complaint alleging eight causes of actions against Crocs for: (1) failure to pay minimum and straight-time wages; (2) failure to pay overtime wages; (3) failure to provide meal breaks or compensation in lieu thereof; (4) failure to provide rest breaks or compensation in lieu thereof; (5) failure to timely pay final wages; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for necessary business expenses; and (8) unfair competition.

2.2. On July 7, 2023, Acevedo and Guzman transmitted their PAGA Notice under Labor Code section 2699.3, stating their intention to serve as proxies of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations.

2.3. On March 1, 2024, Hipolito and Olmos-Cortes transmitted their PAGA Notice under Labor Code section 2699.3, stating their intention to serve as proxies of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations.

2.4. On April 19, 2024, after more than sixty-five (65) days had passed without any communication from the LWDA in response to Acevedo and Guzman's PAGA Notice, Acevedo and Guzman initiated the PAGA Action by filing a PAGA Representative Action Complaint for civil penalties under the PAGA.

2.5. On May 6, 2024, after sixty-five (65) days had passed without any communication from the LWDA in response to Hipolito and Olmos-Cortes' PAGA Notice, Acevedo and Guzman amended their PAGA Representative Action Complaint to add Hipolito and Olmos-Cortes as named plaintiffs and to expand Plaintiffs' claim for reimbursement pursuant to Labor Code § 2802 to include unreimbursed mileage. Both the Class Action Complaint and First Amended PAGA Representative Action Complaint are, as of the execution of this Agreement, the operative complaints in the Class Action and PAGA Action, respectively.

2.6. Crocs denies the allegations in the operative complaints in the Action, denies any failure to comply with the laws identified in the operative complaints, and denies any and all liability for the causes of action alleged in the operative complaints.

2.7. On May 13, 2024, the Parties participated in an all-day mediation presided over by Steve Rottman, Esquire. The mediation was ultimately successful and the Parties agreed to globally resolve all class and PAGA claims in the Action.

2.8. Prior to mediation, Plaintiffs obtained, through informal discovery: (a) a statistically significant sampling of time and payroll records; (b) the estimated number of current and former putative Class Members, Aggrieved Employees, Workweeks, pay periods (including PAGA Pay Periods), and rates of pay for all Class Members; (c) wage-and-hour policy documents; (d) the number of meal period premiums paid; and (e) demographic data (*i.e.*, Workweeks, pay periods (including PAGA Pay Periods), shifts and shift length, meal period premiums paid, and non-discretionary compensation paid) for all Plaintiffs. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801, and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.9. The Court has not granted class certification.

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

3. NON-MONETARY TERMS

During the course of their investigation prior to mediation, Plaintiffs became aware of additional facts besides those alleged in the operative complaints in the Action that potentially support the theories of liability alleged therein. Therefore, to give full effect to the Settlement and the releases herein, within ten (10) business days after the Parties execute this Agreement, (a) the Parties shall file a stipulation requesting approval from the Court in the Class Action for Plaintiffs to file, in actual or substantial form, the proposed First Amended Class Action Complaint attached hereto as Exhibit B and incorporated by reference into this Agreement, which

1 will provide a single, unified action for purposes of Preliminary Approval, Final Approval, and
2 the Class Members' Release of Claims; and (b) Plaintiffs shall file a request to dismiss the PAGA
3 Action without prejudice. The First Amended Class Action Complaint shall become the
4 "Operative Complaint" upon the Court's approval of the stipulation to file it. Crocs shall not be
5 required to respond to the First Amended Class Action Complaint after it is filed (unless otherwise
6 ordered by the Court) and Plaintiffs waive any right or remedy to seek default. Crocs agrees to
7 Plaintiffs filing the proposed First Amended Class Action Complaint in the Class Action for
8 settlement purposes only. In the event the Court does not approve the Settlement, the Parties
9 agree that the First Amended Class Action Complaint Action shall be withdrawn and the Class
10 Action Complaint will once more be the operative complaint of the Class Action. The Parties
11 further agree that Plaintiffs may re-file their First Amended PAGA Representative Action
12 Complaint without prejudice and that any applicable limitations periods will be deemed to have
13 been tolled from the dismissal of the PAGA Action if the First Amended PAGA Representative
14 Action is re-filed within 30 days of the Court's order denying approval of the Settlement.

15 **4. MONETARY TERMS**

16 4.1. Gross Settlement Amount. Except as otherwise provided by Section 5, below,
17 Crocs promises to pay as the Gross Settlement Amount One Million Dollars and no cents
18 (\$1,000,000.00) and to separately pay any and all employer payroll taxes owed on the Wage
19 Portion of the Individual Class Payments. Crocs has no obligation to pay the Gross Settlement
20 Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.2 of this Agreement.
21 The Administrator will disburse the entire Gross Settlement Amount without asking or requiring
22 Participating Class Members or Aggrieved Employees to submit any claim as a condition of
23 payment. None of the Gross Settlement Amount will revert to Crocs.

24 4.2. Payments from the Gross Settlement Amount. The Administrator will make and
25 deduct the following payments from the Gross Settlement Amount, in the amounts specified by
26 the Court in the Final Approval:

27 4.2.1. To Plaintiffs: Class Representative Service Payments to Class
28 Representatives of not more than \$7,500.00 each, in addition to any Individual Class Payments

1 and any Individual PAGA Payments that Class Representatives are entitled to receive as
2 Participating Class Members. Crocs will not oppose Plaintiffs' request for Class Representative
3 Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees
4 Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class
5 Representative Service Payments no later than 16 court days prior to the Final Approval Hearing.
6 If the Court approves any Class Representative Service Payments less than the amount requested,
7 the Administrator will retain the remainder in the Net Settlement Amount. The Administrator
8 will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full
9 responsibility and liability for any taxes owed on the Class Representative Service Payments and
10 will defend, indemnify, and hold Crocs harmless from any dispute or controversy regarding these
11 payments.

12 4.2.2. To Class Counsel: Class Counsel will request that the Court approve a
13 Class Counsel Fees Payment not to exceed one-third of the Gross Settlement Amount, which is
14 currently estimated to be \$333,333.33, and a Class Counsel Litigation Expenses Payment not to
15 exceed \$35,000.00. Crocs will not oppose requests for these payments provided that they do not
16 exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees
17 Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final
18 Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
19 Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the
20 remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel
21 or any other counsel for Plaintiffs arising from any claim to any portion of the Class Counsel Fee
22 Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the
23 Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099
24 Forms. Class Counsel assume full responsibility and liability for taxes owed on the Class Counsel
25 Fees Payment and the Class Counsel Litigation Expenses Payment and will defend, indemnify,
26 and hold Crocs harmless from any dispute or controversy regarding any division or sharing of
27 any of these payments.
28

1 4.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
2 \$19,750.00, except for a showing of good cause and as approved by the Court. To the extent the
3 Administrator's expenses are less or the Court approves payment less than \$19,750.00, the
4 Administrator will retain the remainder in the Net Settlement Amount.

5 4.2.4. To Each Participating Class Member: An Individual Class Payment
6 calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked
7 by all Participating Class Members during the Class Period and (b) multiplying the result by each
8 Participating Class Member's Workweeks.

9 4.2.4.1. Tax Allocation of Individual Class Payments. 25% of each
10 Participating Class Member's Individual Class Payment will be allocated to settlement of the
11 Wage Portion. The Wage Portion of each Individual Class Payment will be subject to tax
12 withholding and will be reported on an IRS W-2 Form. 75% of each Participating Class
13 Member's Individual Class Payment will be allocated to settlement of claims for interest and
14 penalties (the "Non-Wage Portion"). The Non-Wage Portion of Individual Class Payments will
15 not be subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class
16 Members assume full responsibility and liability for any employee taxes owed on their Individual
17 Class Payment.

18 4.2.4.2. Effect of Non-Participating Class Members on Calculation of
19 Individual Class Payments. Non-Participating Class Members will not receive any Individual
20 Class Payments. The Administrator will retain amounts equal to their Individual Class Payments
21 in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

22 4.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount
23 of \$10,000.00 to be paid from the Gross Settlement Amount, with 75% (\$7,500.00) allocated for
24 the LWDA PAGA Payment and 25% (\$2,500.00) allocated for the Individual PAGA Payments.

25 4.2.5.1. The Administrator will calculate each Individual PAGA Payment
26 by (a) dividing \$2,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved
27 Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's
28 PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes

owed on their Individual PAGA Payments.

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

5. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

5.1. Class Workweeks and Aggrieved Employee PAGA Pay Periods. Based on a review of its records to date, Crocs estimates that the Class Members collectively worked a total of approximately 70,000 Workweeks between January 3, 2019, and mediation (held May 13, 2024), and that the Aggrieved Employees worked a total of 9,537 PAGA Pay Periods between February 14, 2023, and mediation (hereafter, the “Mediation Estimate”).

5.2. Escalator due to Increase in Workweeks. In the event the number of Workweeks worked by Class Members during the Class Period is more than 10%, or 7,000 Workweeks, greater than the Mediation Estimate, then the Gross Settlement Amount shall increase proportionally by the number of Workweeks in excess of 77,000 Workweeks (Mediation Estimate of 70,000 Workweeks + 7,000 Workweeks) during the Class Period multiplied by the Workweek Value. The Workweek Value is \$14.28, calculated by dividing the originally agreed-upon Gross Settlement Amount (\$1,000,000.00) by 70,000. Thus, for example, should there be 80,000 Workweeks during the Class Period, then the Gross Settlement Amount shall increase by \$42,840 (which is 80,000 Workweeks – 77,000 Workweeks = 3,000 Workweeks x \$14.28).

6. SETTLEMENT FUNDING AND PAYMENTS

6.1. Class List. Not later than 21 days after the Court grants Preliminary Approval of the Settlement, Crocs will deliver the Class List to the Administrator only in the form of a Microsoft Excel spreadsheet. Class Counsel shall have no right to the Class List or any of the data therein, except Class Counsel shall be provided the data of any individual Class Member who contests the Settlement or disputes the amount of his or her Individual Class Payment or the number of Workweeks or PAGA Pay Periods worked. To protect Class Members’ privacy rights, the Administrator must maintain the Class List in confidence, use the Class List only for purposes of this Settlement and for no other purpose, and restrict access to the Class List to Administrator

1 employees who need access to the Class List to effect and perform under this Agreement. Crocs
2 has a continuing duty to immediately notify Class Counsel and the Administrator if it discovers
3 that the Class List omitted class member identifying information and to provide corrected or
4 updated Class List as soon as reasonably feasible. Without any extension of the deadline by
5 which Crocs must send the Class List to the Administrator, the Parties and their counsel will
6 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues relating
7 to missing or omitted Class List.

8 6.2. Funding of Gross Settlement Amount. Crocs shall fully fund the Gross Settlement
9 Amount and the amounts necessary to fully pay Crocs' share of payroll taxes by transmitting the
10 funds to the Administrator no later than 30 days after the Effective Date.

11 6.3. Payments from the Gross Settlement Amount. Within 7 days after Crocs funds
12 the Gross Settlement Amount and the amounts necessary to fully pay Crocs' share of payroll
13 taxes, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA
14 Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel
15 Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of
16 the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
17 Representative Service Payments shall not precede disbursement of the Individual Class
18 Payments and the Individual PAGA Payments.

19 6.3.1. The Administrator will issue checks for the Individual Class Payments
20 and/or Individual PAGA Payments and send them to Participating Class Members and Aggrieved
21 Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently
22 state the date (not less than 180 days after the date of mailing) when the check will be voided.
23 The Administrator will cancel all checks not cashed by the void date. The Administrator will
24 send checks for Individual Settlement Payments to all Participating Class Members (including
25 those for whom Class Notice was returned undelivered). The Administrator will send checks for
26 Individual PAGA Payments to all Aggrieved Employees (including Non-Participating Class
27 Members who qualify as Aggrieved Employees and including those for whom Class Notice was
28 returned undelivered). For Participating Class Members who are also Aggrieved Employees, the

1 Administrator may send a single check combining the Individual Class Payment and the
2 Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must
3 update the recipients' mailing addresses using the National Change of Address Database.

4 6.3.2. The Administrator must conduct a Class Member Address Search for all
5 other Class Members whose checks are returned undelivered without a USPS forwarding address.
6 Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS
7 forwarding address provided or to an address ascertained through the Class Member Address
8 Search. The Administrator need not take further steps to deliver checks to Class Members whose
9 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
10 replacement check to any Class Member whose original check was lost or misplaced if requested
11 by the Class Member prior to the void date.

12 6.3.3. For any Class Member whose Individual Class Payment check or
13 Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator
14 shall transmit the funds represented by such checks to the California Controller's Unclaimed
15 Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to
16 the requirements of California Code of Civil Procedure section 384, subd. (b).

17 6.3.4. The payment of Individual Class Payments and Individual PAGA
18 Payments shall not obligate Crocs to confer any additional benefits or make any additional
19 payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in
20 this Agreement.

21 **7. RELEASE OF CLAIMS**

22 Effective on the date when Crocs fully funds the entire Gross Settlement Amount and all
23 employer payroll taxes owed on the Wage Portion of Individual Class Payments, Plaintiffs, Class
24 Members, and Class Counsel will release claims against all Released Parties as follows:

25 7.1. Class Representatives' Release. Plaintiffs and their respective present and former
26 spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns
27 generally release and discharge Released Parties from all claims, transactions, or occurrences,
28 including, but not limited to all claims, including PAGA claims, that were, or reasonably could

1 have been, alleged based on the facts contained in the Operative Complaint, all prior pleadings in
2 the Action, and the PAGA Notices or that were ascertained during the Action and released under
3 Paragraph 7.2, below (“Plaintiffs’ Release”). Plaintiffs’ Release does not extend to any claims or
4 actions to enforce this Agreement or to any claims for vested benefits, unemployment benefits,
5 disability benefits, social security benefits, or workers’ compensation benefits that arose at any
6 time or that are based on occurrences outside the Class Period. Plaintiffs acknowledge that they
7 might discover facts or law different from, or in addition to, the facts or law that Plaintiffs now
8 know or believe to be true but agree, nonetheless, that Plaintiffs’ Release shall be and remain
9 effective in all respects, notwithstanding such different or additional facts or Plaintiffs’ discovery
10 of them.

11 7.1.1. Class Representatives’ Waiver of Rights Under California Civil Code
12 Section 1542. For purposes of Plaintiffs’ Release only, Plaintiffs expressly waive and relinquish
13 the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which
14 reads:

15 **A general release does not extend to claims that the creditor or**
16 **releasing party does not know or suspect to exist in his or her**
17 **favor at the time of executing the release and that, if known by**
18 **him or her, would have materially affected his or her settlement**
19 **with the debtor or released party.**

20 7.2. Release by Participating Class Members. All Participating Class Members, on
21 behalf of themselves and their respective present and former spouses, representatives, agents,
22 attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties
23 from all claims, debts, liabilities, demands, obligations, guarantees, actions, or causes of action
24 of whatever kind or nature during the Class Period, whether known or unknown, that were alleged
25 in the Operative Complaint or that reasonably could have been alleged, based on the facts stated
26 in the Operative Complaint and that were ascertained in the course of the Action, including those
27 arising out of or related to: (1) all claims for failure to pay minimum, straight-time, and/or overtime
28 wages for all hours worked, including all off-the-clock time both before clocking in for a shift,

1 after clocking out for meal periods, and after clocking out at the end of shift; (2) all claims for
 2 failure to provide compliant meal periods or compensation in lieu thereof; (3) all claims for failure
 3 to authorize and permit compliant rest periods or compensation in lieu thereof; (4) all claims for
 4 failure to pay overtime, meal and/or rest period compensation, and/or sick pay at the regular rate
 5 of pay; (5) all claims for failure to timely pay wages due upon termination or resignation of
 6 employment; (6) all claims for failure to pay wages due upon regularly-scheduled paydays; (7) all
 7 claims for non-compliant wage statements; (8) all claims for failure to reimburse necessary
 8 business expenses; and (9) all claims asserted through California Business & Professions Code
 9 section 17200 *et seq.* arising out of the Labor Code violations referenced in the Operative
 10 Complaint (the “Released Claims”). The Released Claims include all related claims of any kind
 11 for unpaid wages, premium pay, liquidated damages, statutory penalties, civil penalties,
 12 restitution, interest, injunctive relief, punitive damages, and other damages, costs, expenses,
 13 and attorneys’ fees arising from the alleged violation of any provision of common or statutory
 14 law that were or reasonably could have been raised as part of Plaintiffs’ claims in the Operative
 15 Complaint, including but not limited to claims under California Labor Code sections 201, 202,
 16 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 246 *et seq.*, 510, 512, 558, 1174, 1174.5, 1194,
 17 1194.2, 1197, 1197.1, 1198, 2800, and 2802, all provisions of the California Industrial Welfare
 18 Commission Wage Orders that provide the same or similar protections, and section 17200 *et seq.*
 19 of the California Business and Professions Code.

20 7.2.1. Except as set forth in Section 7.3 of this Agreement, Participating Class
 21 Members do not release by virtue of this Agreement any other claims, including claims for vested
 22 benefits, wrongful termination, violation of the Fair Employment and Housing Act,
 23 unemployment insurance, disability, social security, workers’ compensation, or claims based on
 24 facts occurring outside the Class Period. The foregoing exception shall have no effect on the
 25 releases of claims that Class Members and Aggrieved Employees have agreed to in other executed
 26 agreements.

27 7.2.2. Plaintiffs and each Participating Class Member acknowledge that the
 28 Released Claims in Paragraph 7.2 above are also intended to include in their effect the release of

1 all Released Claims whether or not each Plaintiff and/or any Participating Class Member knows
2 or suspects them to exist. With respect to the Released Claims, Plaintiffs and Participating Class
3 Members may hereafter discover facts or legal arguments in addition to or different from those
4 they now know or currently believe to be true with respect to the claims and causes of action in
5 this case which are the subject matter of the Released Claims. Regardless, the discovery of new
6 facts or legal arguments shall in no way limit the scope or definition of the Released Claims and,
7 by virtue of this Agreement, Plaintiffs and Participating Class Members shall be deemed to have,
8 and by operation of the Judgment shall have, fully, finally, and forever settled and released all of
9 the Released Claims as defined above.

10 7.3. Release by Aggrieved Employees. All Aggrieved Employees, on behalf of
11 themselves and their respective present and former spouses, representatives, agents, attorneys,
12 heirs, administrators, successors, and assigns, are deemed to release and discharge the Released
13 Parties from all claims for any and all PAGA remedies during the PAGA Period that were alleged
14 in, or reasonably could have been alleged in, or that were based on, arise from, or relate to the
15 facts stated in the Operative Complaint, the PAGA Notices, and that were ascertained in the
16 course of the Action, including any right, claim, or demand for civil penalties pursuant to Labor
17 Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699 in connection with alleged violations of
18 Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 246 *et seq.*, 510, 512, 1174,
19 1194, 1194.2, 1197, 1198, 2800, and 2802, all provisions of the California Industrial Welfare
20 Commission Wage Orders that provide the same or similar protections, and section 17200 *et seq.*
21 of the California Business and Professions Code. Plaintiffs and Aggrieved Employees will be
22 bound by this release of PAGA claims even if they, or any of them, request to be excluded from
23 the Settlement in accordance with Paragraph 9.5, below.

24 **8. MOTION FOR PRELIMINARY APPROVAL**

25 The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion
26 for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary
27 Approvals as follows:
28

8.1. Crocs' Declaration in Support of Preliminary Approval. Within 14 days of full execution of this Agreement, Crocs will prepare and deliver to Class Counsel a signed declaration from Crocs and/or Defense Counsel (i) identifying any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement or (ii) averring that they are not aware of any such other pending matters or actions.

8.2. Class Representatives' Responsibilities. Plaintiffs will prepare and to deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA components of the Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed order both for Preliminary Approval and for approval of the PAGA-portion of the Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to (1) its willingness to serve, (2) its competency, (3) its operative procedures for protecting the security of Class List, (4) the amounts of insurance coverage for any data breach, defalcation of funds, or other misfeasance, (5) all facts relevant to any actual or potential conflicts of interest with Class Members, and (6) the nature and extent of any financial relationship with Plaintiffs, Class Counsel, or Defense Counsel; (v) signed declarations from Plaintiffs confirming their willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (vi) a signed declaration from Class Counsel attesting to their competency to represent the Class Members, their timely transmission to the LWDA of all necessary PAGA documents, including the initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), and this Agreement (Labor Code section 2699, subd. (l)(2)); (vii) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiffs and Class Counsel shall either (i) identify any other pending matter or action asserting claims that will be extinguished or adversely affected

1 by the Settlement or (ii) aver that they are not aware of any such other pending matters or actions.

2 8.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly
3 responsible for expeditiously finalizing and filing the Motion for Preliminary Approval not later
4 than 30 days after the full execution of this Agreement, obtaining a prompt hearing date for the
5 Motion for Preliminary Approval, and for appearing in Court to advocate in favor of the Motion
6 for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary
7 Approval to the Administrator.

8 8.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion
9 for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
10 Defense Counsel will expeditiously work together on behalf of the Parties by meeting and
11 conferring in good faith to resolve the disagreement. If the Court does not grant Preliminary
12 Approval or conditions Preliminary Approval on any material change to this Agreement, Class
13 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by
14 meeting and conferring in good faith to modify the Agreement and otherwise satisfy the Court's
15 concerns.

16 9. SETTLEMENT ADMINISTRATION

17 9.1. Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to
18 serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc.
19 agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this
20 Agreement in exchange for the Administrator Expenses Payment. The Parties and their Counsel
21 represent that they have no interest or relationship, financial or otherwise, with the Administrator
22 other than perhaps a professional relationship arising out of prior experiences administering
23 settlements.

24 9.2. Employer Identification Number. The Administrator shall have and use its own
25 Employer Identification Number for purposes of calculating payroll tax withholdings and
26 providing reports to state and federal tax authorities.

27 9.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund
28 that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury

1 Regulation section 468B-1.

2 9.4. Notice to Class Members

3 9.4.1. No later than three (3) business days after receipt of the Class List, the
4 Administrator shall notify Class Counsel that the list has been received and state the number of
5 Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class List.

6 9.4.2. Using best efforts to perform as soon as possible, and in no event later than
7 14 days after receiving the Class List, the Administrator will send to all Class Members identified
8 in the Class List, via first-class United States Postal Service (“USPS”) mail, the Class Notice,
9 substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice
10 shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual
11 PAGA Payment payable to the Class Member and the number of Workweeks and PAGA Pay Periods
12 (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall
13 update Class Member addresses using the National Change of Address database.

14 9.4.3. Not later than 3 business days after the Administrator’s receipt of any Class
15 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
16 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
17 address, the Administrator shall conduct a Class Member Address Search and re-mail the Class
18 Notice to the most current address obtained. The Administrator has no obligation to make further
19 attempts to locate or send the Class Notice to Class Members whose Class Notice is returned by
20 the USPS a second time.

21 9.4.4. The deadlines for Class Members’ written objections, challenges to
22 Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional
23 15 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose
24 notice is re-mailed. The Administrator will inform the Class Member of the extended deadline
25 with the re-mailed Class Notice.

26 9.4.5. If the Administrator, Crocs, Defense Counsel, or Class Counsel is
27 contacted by or otherwise discovers any person who believes he or she should have been included
28 in the Class List and should have received Class Notice, the Parties will expeditiously meet and

1 confer in person or by telephone and in good faith in an effort to agree on whether to include them
2 as Class Members. If the Parties agree, such persons will be Class Members entitled to the same
3 rights as other Class Members and the Administrator will send, via email or overnight delivery, a
4 Class Notice requiring them to exercise options under this Agreement not later than 15 days after
5 receipt of the Class Notice or the deadline dates in the Class Notice, whichever are later.

6 9.5. Requests for Exclusion (Opt-Outs).

7 9.5.1. Class Members who wish to exclude themselves from (opt-out of) the class
8 action components of the Settlement must send the Administrator, by mail, a signed written
9 Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus
10 an additional 15 days for Class Members whose Class Notice is re-mailed). A Request for
11 Exclusion is a letter from a Class Member or his/her representative that reasonably communicates
12 the Class Member's election to be excluded from the Settlement and includes the Class Member's
13 name, address, and email address and/or telephone number. To be valid, a Request for Exclusion
14 must be timely postmarked by the Response Deadline.

15 9.5.2. The Administrator may not reject a Request for Exclusion as invalid
16 because it fails to contain all the information specified in the Class Notice. The Administrator
17 shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
18 identity of the person as a Class Member and the Class Member's desire to be excluded. The
19 Administrator's determination shall be final and not appealable or otherwise susceptible to
20 challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion,
21 the Administrator may demand additional proof of the Class Member's identity. The
22 Administrator's determination of authenticity shall be final and not appealable or otherwise
23 susceptible to challenge.

24 9.5.3. Every Class Member who does not submit a timely and valid Request for
25 Exclusion is deemed to be a Participating Class Member under this Agreement and consequently
26 entitled to all benefits, and bound by all terms and conditions, of the Settlement, including the
27 Participating Class Members' Releases under Paragraphs 7.2 and 7.3 of this Agreement, whether
28 or not the Participating Class Member actually receives the Class Notice or objects to the

1 Settlement.

2 9.5.4. Every Class Member who submits a valid and timely Request for
3 Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment
4 or have the right to object to the class action components of the Settlement. However, Class
5 Members who are Aggrieved Employees cannot exclude themselves from the PAGA components
6 of the Settlement. Consequently, because future PAGA claims are subject to claim preclusion
7 upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees
8 are deemed to release the claims identified in Paragraph 7.3 of this Agreement (even if they submit
9 a valid and timely Request for Exclusion) and are eligible for an Individual PAGA Payment.

10 9.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days
11 after the Administrator mails the Class Notice (plus an additional 15 days for Class Members
12 whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods
13 (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the
14 allocation by communicating with the Administrator via fax, email, or mail. The Administrator
15 must encourage the challenging Class Member to submit supporting documentation. In the
16 absence of any contrary documentation, the Administrator is entitled to presume that the
17 Workweeks contained in the Class Notice are correct so long as they are consistent with the Class
18 List. The Administrator's determination of each Class Member's allocation of Workweeks and/or
19 PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The
20 Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or
21 PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination
22 of the challenges.

23 9.7. Objections to Settlement

24 9.7.1. Only Participating Class Members may object to the class action
25 components of the Settlement and/or this Agreement, including contesting the fairness of the
26 Settlement and/or amounts requested for the Class Counsel Fees Payment, the Class Counsel
27 Litigation Expenses Payment, and/or the Class Representative Service Payments.

1 9.7.2. Participating Class Members may send written objections to the
2 Administrator by mail. In the alternative, Participating Class Members may appear in Court (or
3 hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing.
4 A Participating Class Member who elects to send a written objection to the Administrator must
5 do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an
6 additional 15 days for Class Members whose Class Notice was re-mailed).

7 9.7.3. Non-Participating Class Members have no right to object to any of the class
8 action components of the Settlement.

9 9.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks
10 to be performed or observed by the Administrator contained in this Agreement or otherwise.

11 9.8.1. Website, Email Address, and Toll-Free Number. The Administrator will
12 maintain and use an internet website to post information of interest to Class Members including
13 the date, time, and location for the Final Approval Hearing and copies of the Settlement
14 Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the
15 Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation
16 Expenses Payment, and Class Representative Service Payments, the Final Approval, and the
17 Judgment. The Administrator will also maintain and monitor an email address and a toll-free
18 telephone number to receive Class Member calls, faxes, and emails.

19 9.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator
20 will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not
21 later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the
22 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
23 and other identifying information of Class Members who have timely submitted valid Requests
24 for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class
25 Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for
26 Exclusion from Settlement submitted (whether valid or invalid).

27 9.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide
28 written reports to Class Counsel and Defense Counsel that, among other things, tally the number

of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and 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 (if any).

9.8.4. 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.

9.8.5. Administrator’s Declaration. Not later than 5 days before the date by which Plaintiffs are 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, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), and the number of written objections and attach the Exclusion List. 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.

9.8.6. Final Report by Settlement Administrator. Within 10 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 7 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.

1 **10. CROCS' RIGHT TO WITHDRAW**

2 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5%
3 of the total of all Class Members, Crocs may elect to withdraw from the Settlement. The Parties
4 agree that, if Crocs withdraws, the Settlement shall be void *ab initio*, have no force or effect
5 whatsoever, and that neither Party will have any further obligation to perform under this
6 Agreement; provided, however, Crocs will remain responsible for paying all settlement
7 administration expenses incurred to that point. Crocs must notify Class Counsel and the Court of
8 its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List
9 to Defense Counsel; late elections will have no effect.

10 **11. MOTION FOR FINAL APPROVAL**

11 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will
12 file in Court a motion for final approval of the Settlement that includes a request for approval of
13 the PAGA components of the Settlement under Labor Code section 2699, subd. (l), a proposed
14 Final Approval, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs
15 shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing
16 the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and
17 confer in good faith to resolve any disagreements concerning the Motion for Final Approval.

18 11.1. Response to Objections. Each Party retains the right to respond to any objection
19 raised by a Participating Class Member, including the right to file responsive documents in Court,
20 not later than 5 court days prior to the Final Approval Hearing or as otherwise ordered or accepted
21 by the Court.

22 11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
23 Approval on any material change to the Settlement (including, but not limited to, the scope of
24 release to be granted by Class Members), the Parties will expeditiously work together in good
25 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
26 Approval. The Court's decision to award less than the amounts requested for the Class
27 Representative Service Payments, the Class Counsel Fees Payment, the Class Counsel Litigation
28 Expenses Payment, and/or the Administrator Expenses Payment shall not constitute a material

1 modification to the Agreement within the meaning of this paragraph.

2 11.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of
3 Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely
4 for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
5 administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

6 11.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms
7 and conditions of this Agreement, specifically including the Class Counsel Fees Payment and
8 Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their
9 respective counsel, and all Participating Class Members who did not object to the Settlement as
10 provided in this Agreement waive all rights to appeal from the Judgment, including all rights to
11 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions
12 for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver
13 of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, the
14 Parties' obligations to perform under this Agreement will be suspended until such time as the
15 appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect
16 the amount of the Net Settlement Amount.

17 11.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If
18 appealed and the reviewing Court vacates, reverses, or modifies the Judgment in a manner that
19 requires a material modification of this Agreement (including, but not limited to, the scope of
20 release to be granted by Class Members), this Agreement shall be null and void. The Parties shall
21 nevertheless expeditiously work together in good faith to address the appellate court's concerns
22 and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional
23 settlement administration expenses reasonably incurred after remittitur. An appellate decision to
24 vacate, reverse, or modify the Court's award of the Class Representative Service Payment, the
25 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and/or the
26 Administrator Expenses Payment shall not constitute a material modification of the Judgment
27 within the meaning of this paragraph, as long as the Gross Settlement Amount remains
28 unchanged.

1 **12. AMENDED JUDGMENT**

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

4 **13. ADDITIONAL PROVISIONS**

5 13.1. No Admission of Liability, Class Certification, or Representative Manageability
6 for Other Purposes. This Agreement represents a compromise and settlement of highly disputed
7 claims. Nothing in this Agreement is intended or should be construed as an admission by Crocs
8 or any of the other Released Parties that any of the allegations in the Operative Complaint have
9 merit or that Crocs or the Released Parties have any liability for any claims asserted, nor should
10 it be intended or construed as an admission by Plaintiffs that Crocs' defenses in the Action have
11 merit. The Parties agree that class certification and representative treatment is for purposes of
12 this Settlement only. If, for any reason, the Court does not grant Preliminary Approval, Final
13 Approval, or enter Judgment, Crocs reserves the right to contest certification of any class for any
14 reasons and reserve all available defenses to the claims in the Action and Plaintiffs reserve the
15 right to move for class certification on any grounds available and to contest Crocs' defenses. The
16 Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing
17 on, and will not be admissible in connection with, any litigation (except for proceedings to enforce
18 or effectuate the Settlement and this Agreement).

19 13.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Crocs,
20 and Defense Counsel separately agree that, until the Motion for Preliminary Approval of
21 Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause
22 or permit another person to disclose, disseminate, or publicize, any of the terms of the Agreement,
23 directly or indirectly, specifically or generally, to any person, corporation, association,
24 government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses,
25 all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related
26 matter (if any); (3) to the extent necessary to report income to appropriate taxing authorities; (4) in
27 response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a
28 state or federal government agency. Each Party agrees to immediately notify each other Party of

1 any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class
2 Counsel, Crocs, and Defense Counsel separately agree not to, directly or indirectly, initiate any
3 conversation or other communication before the filing of the Motion for Preliminary Approval
4 with any third party regarding this Agreement or the matters giving rise to this Agreement, except
5 to respond only that “the matter was resolved” or words to that effect. This paragraph does not
6 restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s
7 ethical obligations owed to Class Members.

8 13.3. No Solicitation. The Parties separately agree that they and their respective counsel
9 and employees will not solicit any Class Member to opt out of or object to the Settlement or
10 appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class
11 Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical
12 obligations owed to Class Members.

13 13.4. Integrated Agreement. Upon execution by all Parties and their counsel, this
14 Agreement together with its attached exhibits shall constitute the entire agreement between the
15 Parties relating to the Settlement, superseding any and all oral representations, warranties,
16 covenants, or inducements made to or by any Party.

17 13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant
18 and represent that they are authorized by Plaintiffs and Crocs, respectively, to take all appropriate
19 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
20 its terms and to execute any other documents reasonably required to effectuate the terms of this
21 Agreement, including any amendments to this Agreement.

22 13.6. Cooperation. The Parties and their counsel will cooperate with each other and
23 use their best efforts, in good faith, to implement the Settlement by, among other things,
24 modifying the Settlement Agreement, submitting supplemental evidence, and supplementing
25 points and authorities as requested by the Court. In the event the Parties are unable to agree upon
26 the form or content of any document necessary to implement the Settlement or on any
27 modification of the Agreement that may become necessary to implement the Settlement, the
28 Parties will seek the assistance of a mediator and/or the Court for resolution.

1 13.7. No Prior Assignments. The Parties separately represent and warrant that they have
2 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
3 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
4 action, or right released and discharged by the Party in this Settlement.

5 13.8. No Tax Advice. Neither Plaintiffs (or any of them) nor Class Counsel nor Crocs
6 nor Defense Counsel have provided or are providing any advice regarding taxes or taxability and
7 nothing in this Agreement shall be relied upon as such within the meaning of United States
8 Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

9 13.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
10 modified, changed, or waived only by an express written instrument signed by all Parties or their
11 representatives and approved by the Court.

12 13.10. Agreement Binding on Successors. This Agreement will be binding upon, and
13 inure to the benefit of, the successors of each of the Parties.

14 13.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will
15 be governed by and interpreted according to the internal laws of the state of California, without
16 regard to conflict of law principles.

17 13.12. Cooperation in Drafting. The Parties have cooperated in the drafting and
18 preparation of this Agreement. This Agreement will not be construed against any Party on the
19 basis that the Party was the drafter or participated in the drafting.

20 13.13. Confidentiality. To the extent permitted by law, all agreements made and orders
21 entered during the Action and in this Agreement relating to the confidentiality of information
22 shall survive the execution of this Agreement

23 13.14. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid.
24 Code § 1152 and all copies and summaries of the Class-related data and documents provided to
25 Class Counsel by Crocs in connection with the mediation, other settlement negotiations, or in
26 connection with the Settlement (hereafter, "Class Data") may be used only with respect to this
27 Settlement and for no other purpose and may not be used in any way that violates any existing
28 contractual agreement, statute, or rule of court. Class Counsel shall not be required to return or

1 destroy any copies of Class Data but shall be required to take all reasonable steps to maintain the
2 confidentiality and security of such documents and information. Furthermore, neither Plaintiffs
3 (or any of them) nor Class Counsel shall produce, disclose, transmit, or otherwise share Class
4 Data with any third party without providing at least 10 days' written notice to Crocs and Defense
5 Counsel. Moreover, they shall notify Crocs within 48 hours of their receipt of any demand by
6 subpoena or in discovery for production of same and shall refrain from producing Class Data in
7 response to such demands absent a court order.

8 13.15. Headings. The descriptive heading of any section or paragraph of this Agreement
9 is inserted for convenience of reference only and does not constitute a part of this Agreement.

10 13.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
11 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
12 weekend or federal legal holiday, such date or deadline shall be on the first business day
13 thereafter.

14 13.17. Notice. All notices, demands, or other communications between the Parties in
15 connection with this Agreement will be in writing and deemed to have been duly given as of the
16 third business day after mailing by United States mail or the day sent by email or messenger,
17 addressed as follows:

18 To Plaintiffs:

19 **WILSHIRE LAW FIRM**

20 Arrash T. Fattahi

21 *afattahi@wilshirelawfirm.com*

22 Arman A. Salehi

23 *asalehi@wilshirelawfirm.com*

24 3055 Wilshire Boulevard, 12th Floor

25 Los Angeles, California 90010

26 Tel: (213) 381-9988; Fax: (213) 381-9989

To Crocs:

KADING BRIGGS LLP

Glenn L. Briggs
gbriggs@kadingbriggs.com
 Kymberleigh Damron-Hsiao
kdh@kadingbriggs.com
 Stanley G. Stringfellow II
sgs@kadingbriggs.com
 100 Spectrum Center Drive, Suite 800
 Irvine, California 92618
 Tel: (949) 450-8040

13.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., 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.

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

13.20. Severability. In the event that one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

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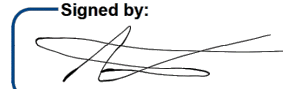
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Date: 2/18/2025

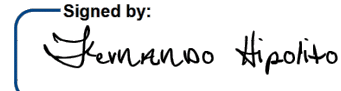
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Fernando Alberto Acevedo, Plaintiff

Date: 2/19/2025

Signed by:

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Anthony Guzman, Plaintiff

Date: 2/20/2025

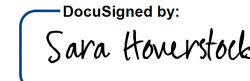
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Fernando Hipolito, Plaintiff

Date: 2/18/2025

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Vanessa Olmos-Cortes, Plaintiff

Date: 2/20/2025

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Crocs Retail, LLC, Defendant
By: Sara Hoverstock

Date: February 20, 2025


Arrash T. Fattahi
Arman A. Salehi
Counsel for Plaintiffs

Date: 2/24/2025

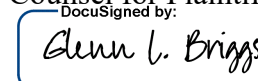
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Glenn L. Briggs
Kymberleigh Damron-Hsiao
Stanley G. Stringfellow II
Counsel for Defendant

Exhibit A

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE
FOR FINAL APPROVAL HEARING**

Acevedo, et al. v. Crocs Retail, LLC

(County of Los Angeles, California Superior Court Case No. 23STCV15354)

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

You may be eligible to receive money from an employee class action lawsuit (the “Action”) against Crocs Retail, LLC (“Defendant”), for alleged wage-and-hour violations. The Action was filed by former employees of Defendant, Fernando Alberto Acevedo (“Plaintiff Acevedo”), Anthony Guzman (“Plaintiff Guzman”), Fernando Hipolito (“Plaintiff Hipolito”), and Vanessa Olmos-Cortes (“Plaintiff Olmos-Cortes”) (collectively referred to as “Plaintiffs”) and seeks payment of (1) allegedly unpaid back wages and related penalties for a class of non-exempt hourly employees (“Class Members”) who worked for Defendant during the Class Period of January 3, 2019, through December 31, 2024; and (2) additional penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt hourly employees who worked for Defendant during the PAGA Period from February 14, 2023, through December 31, 2024 (“Aggrieved Employees”).

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

Your Individual Class Payment is estimated to be \$ [REDACTED] (less withholdings) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive will likely be different and will depend on a number of factors, which is explained in more detail in Section 4E of this Notice. The above estimates are based on Defendant’s records that show you worked [REDACTED] **workweeks** during the Class Period and [REDACTED] **pay periods** during the PAGA Period.

While the Court has already preliminarily approved the Settlement, it has not yet decided whether to grant final approval of the Settlement. **A final approval hearing (“Final Approval Hearing”) regarding the Settlement will be held on [REDACTED], 2025, at [REDACTED] a.m./p.m. at the Spring Street Courthouse of the Los Angeles County Superior Court of the State of California, Department 6, located at 312 North Spring Street, Los Angeles, California 90012.** The Court will determine at the hearing whether the Settlement is fair, reasonable, and adequate, 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. The Court will also decide how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”).

Read this Notice carefully. You will be deemed to have carefully read and understood it. Your legal rights are affected whether you act or not.

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

- (1) **Do Nothing.** You don’t have to do anything to participate in the Settlement to be eligible for an Individual Class Payment and/or an 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 (opt out of) the Class Settlement by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt out of the Class Settlement, you will not receive an

Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA Settlement.

Defendant will not retaliate against you for any actions you take with respect to the Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND PARTICIPATE IN THE SETTLEMENT	You don't have to do anything to participate in the Settlement. If you do nothing, you will be a "Participating Class Member" and eligible for an Individual Class Payment and an Individual PAGA Payment (if any). As a "Participating Class Member," though, you will give up your right to assert the claims for unpaid wages and penalties against Defendant that are covered by this Settlement (the "Released Claims").
YOU CAN OPT OUT OF THE CLASS ACTION SETTLEMENT BUT NOT THE PAGA SETTLEMENT THE OPT-OUT DEADLINE IS	If you want to preserve your right to personally pursue Class Period wage claims against Defendant, you can exclude yourself from, or opt out of, the Class Settlement by sending the Administrator (defined in Section 4B, below) a written Request for Exclusion (defined in Section 5D, below). Once excluded, you will be a "Non-Participating Class Member" and will not be eligible for an Individual Class Payment. As a Non-Participating Class Member, you also cannot object to any portion of the Settlement. If you opt out of the Class Settlement, your share of the non-PAGA Settlement proceeds may be divided up amongst the Participating Class Members. See Section 5D of this Notice for additional information. Legally, you cannot opt out of the PAGA Settlement. Consequently, if you opt out of the Class Settlement but you are an Aggrieved Employee, you will still receive an Individual PAGA Payment and you will give up your rights as a matter of law to pursue PAGA claims during the PAGA Period.
PARTICIPATING CLASS MEMBERS CAN OBJECT TO THE CLASS SETTLEMENT WRITTEN OBJECTIONS MUST BE SUBMITTED BY	Any Participating Class Members may object to the any aspect of the Class Settlement. The Court's decision whether to grant final approval of the Settlement will include a determination of how much will be paid to Plaintiffs and to Class Counsel who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, however, every dollar paid to them reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Plaintiffs and/or Class Counsel if you think they are unreasonable. See Section 5C of this Notice.
YOU CAN CHALLENGE THE CALCULATION OF YOUR	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively.

WORKWEEKS/PAY PERIODS WRITTEN CHALLENGES MUST BE SUBMITTED BY [REDACTED]	The number of workweeks in the Class Period and the number of pay periods in the PAGA Period you worked according to Defendant's records are stated on the first page and on Section 4E of this Notice. If you disagree with either of these numbers, you may challenge it by [REDACTED], 2025. See Section 5B of this Notice. Any dispute as to the number of workweeks and/or pay periods must be in writing. Defendant's records will be presumed accurate so you must include proof substantiating your dispute. The Administrator will investigate and determine if the dispute appears to be valid.
YOU CAN PARTICIPATE IN THE FINAL APPROVAL HEARING, SCHEDULED FOR [REDACTED]	The Court's Final Approval Hearing is scheduled to take place on [REDACTED], 2025. You do not 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. See Section 7A of this Notice.

1. WHAT IS THE PURPOSE OF THIS NOTICE?

Plaintiff Acevedo initiated a putative class action on June 30, 2023, known as *Fernando Alberto Acevedo v. Crocs Retail, LLC*, in Los Angeles County Superior Court, Case Number 23STCV15354, against Crocs Retail, LLC (the "Class Action"). On April 19, 2024, Plaintiff Acevedo and Plaintiff Guzman initiated a separate representative action for civil penalties under the PAGA known as *Fernando Alberto Acevedo, et al. v. Crocs Retail, LLC*, in Los Angeles County Superior Court, Case No. 24NNCV01096, against Defendant, which they later amended to add Plaintiff Hipolito and Plaintiff Olmos-Cortes as named plaintiffs in that action (the "PAGA Action"). Plaintiffs and Defendant have reached a global settlement of both actions on behalf of non-exempt employees who worked for Defendant at any time between January 3, 2019, and December 31, 2024. As a condition of settlement, the parties agreed to combine the Class Action and the PAGA Action into a single, consolidated lawsuit (the "Action") by (1) amending the complaint in the Class Action, which is now the "Operative Complaint," to add Plaintiff Guzman, Plaintiff Hipolito, and Plaintiff Olmos-Cortes as named plaintiffs and a cause of action for recovery of civil penalties under the PAGA; and (2) dismissing the PAGA Action. Judge Elihu Berle in Department 6 of the Los Angeles County Superior Court is overseeing the Action and this Settlement. Defendant's records indicate that you are a Class Member covered by this Settlement.

2. WHAT IS THE ACTION ABOUT?

The Action alleges that Defendant violated California labor laws (and the related Industrial Wage Order) by failing to pay regular, minimum, and overtime wages, failing to provide lawful meal and rest periods or pay premium wages for unprovided meal and rest periods, failing to pay all wages when due or upon termination of employment, failing to pay reimbursable expenses, and failing to provide accurate itemized wage statements. Based on these same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (California Labor Code §§ 2698, *et seq.*) Plaintiffs are represented by Class Counsel, namely, Arrash T. Fattahi, Esq. and Arman A. Salehi, Esq., of Wilshire Law Firm.

You can read Plaintiffs' allegations as stated in the Operative Complaint, which is available at [REDACTED] [Administrator's website].

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

The Court has not decided whether Defendant or Plaintiffs are correct. Defendant and Plaintiffs reached a settlement by mediating this Action with an experienced neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. By signing a written settlement agreement (the “Settlement Agreement”) and agreeing to jointly ask the Court to enter judgment ending the Action and enforcing the terms of the Settlement Agreement, Plaintiffs and Defendant have negotiated a settlement that is subject to the Court’s final approval. Both sides agree the proposed settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merits of any of Plaintiffs’ claims. Plaintiffs and Class Counsel strongly believe that the Settlement is a good deal for you because they believe that: (a) Defendant has agreed to pay a fair, reasonable, and adequate amount considering the strengths of the claims and the risks and uncertainties of continued litigation; and (b) settlement is in the best interests of the Class Members and the Aggrieved Employees. The Court preliminarily approved the Settlement as fair, reasonable, and adequate, authorized this Notice, and has scheduled a hearing to determine final approval.

4. TERMS OF THE SETTLEMENT

A. HOW MUCH IS THE SETTLEMENT AND WHO IS PAYING IT?

Defendant has agreed to pay \$1,000,000.00 (the “Gross Settlement Amount”) to settle all the claims of Plaintiffs, Class Members, and Aggrieved Employees. The Gross Settlement Amount will be deposited 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, payment to Plaintiffs for initiating the Action and providing services in support of the Action (the “Class Representative Service Payments”), Class Counsel’s fees and litigation expenses, the expenses incurred by the Administrator to effectuate the Settlement, and penalties required to be paid to the California Labor and Workforce Development Agency (“LWDA”).

B. THE ADMINISTRATOR

The Court has appointed the neutral company, CPT Group, Inc. (the “Administrator”), to administer the Settlement, including sending this Notice, calculating and making payments, and processing any Class Member’s Request for Exclusion. The Administrator will also decide Class Member challenges over workweeks and/or pay periods, mail and re-mail settlement checks and tax forms, and perform any other tasks necessary to administer the Settlement.

C. WHAT WILL THE GROSS SETTLEMENT AMOUNT PAY?

At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the final amounts for which will be decided by the Court at the Final Approval Hearing:

- i. Up to \$333,333.33 (which represents one-third (1/3rd) of the Gross Settlement Amount) to Class Counsel for attorneys’ fees and up to \$35,000.00 for Class Counsel’s litigation expenses. To date, Class Counsel have worked and incurred expenses in and for the Action without payment.
- ii. Up to \$30,000.00 to Plaintiffs as Class Representative Service Payments for filing the Action, working with Class Counsel, and representing the Class. \$7,500 will be paid to each Plaintiff, in addition to their respective Individual Class Payments and Individual PAGA Payments.
- iii. Up to \$19,750.00 to the Administrator for services to administer the Settlement.
- iv. Up to \$10,000.00 for PAGA penalties, of which seventy-five percent (75%) (*i.e.*, \$7,500.00) shall be remitted to the LWDA as the LWDA PAGA payment and the

remaining twenty-five percent (25%) (*i.e.*, \$2,500.00) shall be distributed to Aggrieved Employees based on their PAGA Period pay periods.

After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount to Class Members (the “Net Settlement Amount”). Any Participating Class Member has the right to object to any portion of these deductions. The Court will consider all objections.

D. HOW WILL THE NET SETTLEMENT AMOUNT AND PAGA PENALTIES BE DISTRIBUTED AMONG CLASS MEMBERS?

The Net Settlement Amount and the additional 25% of the PAGA penalties reserved for payment to Aggrieved Employees (up to \$2,500.00) will be distributed as follows:

i. Individual Class Payments.

The Administrator will calculate Individual Class Payments to be paid from the Net Settlement Amount by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of workweeks worked by each individual Participating Class Member.

Plaintiffs and Defendant are requesting the Court to approve an allocation of 25% of each Individual Class Payment toward taxable wages (the “Wage Portion”) and the remaining 75% towards penalties and interest (the “Non-Wage Portion”). Crocs will separately pay employer payroll taxes it owes on the Wage Portion.

The Wage Portion of Individual Class Payments will be subject to employee tax withholdings, as reported on IRS W-2 Forms, which will be withheld and paid from the Wage Portions of the Individual Class Payments.

The Non-Wage Portion of Individual Class Payments will be counted as penalties and interest rather than wages for tax purposes (and therefore shall not be subject to any tax withholdings). The Administrator will report the Non-Wage Portion of the Individual Class Payments on IRS 1099 Forms.

ii. The Individual PAGA Payments.

The Administrator will calculate the Individual PAGA Payments by (a) dividing the 25% of the PAGA penalties reserved for payment to Aggrieved Employees (up to \$2,500.00) by the total number of PAGA pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.

The Individual PAGA Payments will be counted as penalties rather than wages for tax purposes (and therefore shall not be subject to any tax withholdings). The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

iii. No Advice regarding Tax Treatment of Individual Class and PAGA Payments.

Although Plaintiffs and Defendant have agreed to this allocation, neither side is giving you any advice on whether your Individual Class Payment and, if eligible, your Individual PAGA Payment are taxable and how much you might owe in taxes. You should consult with a tax advisor concerning the tax consequences of the payments you receive under the Settlement.

E. WHAT WILL MY APPROXIMATE RECOVERY BE?

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].¹ The actual amount you may receive will likely be different and will depend on a number of factors, including (i) the number of Class Members who ultimately participate in the Settlement; (ii) the ultimate costs of providing notice and administering the Settlement; and (iii) the amount that the Court ultimately awards with respect to the Class Representative Service Payments, Class Counsel's fees and litigation expenses, and Administrator expenses.

The above estimates are based on Defendant's records that show **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks during the Class Period or you worked more pay periods during the PAGA Period, you can submit a challenge by the deadline date indicated in Section 5B of this Notice.

F. WHAT CLAIMS WOULD I BE RELEASING IF I DO NOT OPT OUT OF THE SETTLEMENT?

Upon final approval of the Settlement and when Defendant has fully funded the Gross Settlement Amount, each Class Member who has not opted out of the Class Settlement (*i.e.*, each Participating Class Member) will be legally barred from asserting any of the claims released under the Settlement. This means that, unless you have opted out by submitting a valid and timely Request for Exclusion, 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 or for PAGA penalties based PAGA Period facts, as alleged in the Operative Complaint.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective present and former spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from all claims, debts, liabilities, demands, obligations, guarantees, actions, or causes of action of whatever kind or nature during the Class Period, whether known or unknown, that were alleged in the Operative Complaint or that reasonably could have been alleged, based on the facts stated in the Operative Complaint and that were ascertained in the course of the Action, including those arising out of or related to: (1) all claims for failure to pay minimum, straight-time, and/or overtime wages for all hours worked, including all off-the-clock time both before clocking in for a shift, after clocking out for meal periods, and after clocking out at the end of shift; (2) all claims for failure to provide compliant meal periods or compensation in lieu thereof; (3) all claims for failure to authorize and permit compliant rest periods or compensation in lieu thereof; (4) all claims for failure to pay overtime, meal and/or rest period compensation, and/or sick pay at the regular rate of pay; (5) all claims for failure to timely pay wages due upon termination or resignation of employment; (6) all claims for failure to pay wages due upon regularly-scheduled paydays; (7) all claims for non-compliant wage statements; (8) all claims for failure to reimburse necessary business expenses; and (9) all claims asserted through California Business & Professions Code section 17200 *et seq.* arising out of the Labor Code violations referenced in the Operative Complaint (the "Released Claims"). The Released Claims include all related claims of any kind for unpaid wages, premium pay, liquidated damages, statutory penalties, civil penalties, restitution, interest, injunctive relief, punitive damages, and other damages, costs, expenses, and attorneys' fees arising from the alleged violation of any provision of common or statutory law that were or reasonably could have been raised as part of Plaintiffs' claims in the Operative Complaint, including but not limited to claims under California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 246 *et seq.*, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, all provisions

¹ 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 did not work during the PAGA Period.

of the California Industrial Welfare Commission Wage Orders that provide the same or similar protections, and section 17200 *et seq.* of the California Business and Professions Code.

Aggrieved Employees shall also be bound by the release of any claims for civil penalties under section 2699 *et seq.* of the California Labor Code that were alleged in Plaintiffs' respective PAGA Notices, even if they formally opted out of the Class Settlement and are no longer bound by the other provisions of the above release that are not claims for civil penalties under section 2699 *et seq.* This means that all Aggrieved Employees (including 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 Plaintiffs' respective PAGA Notices. The Aggrieved Employees' release provides as follows:

All Aggrieved Employees, on behalf of themselves and their respective present and former spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release and discharge the Released Parties from all claims for any and all PAGA remedies during the PAGA Period that were alleged in, or reasonably could have been alleged in, or that were based on, arise from, or relate to the facts stated in the Operative Complaint, the PAGA Notices, and that were ascertained in the course of the Action, including any right, claim, or demand for civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699 in connection with alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 246 *et seq.*, 510, 512, 1174, 1194, 1194.2, 1197, 1198, 2800, and 2802, all provisions of the California Industrial Welfare Commission Wage Orders that provide the same or similar protections, and section 17200 *et seq.* of the California Business and Professions Code. Plaintiffs and Aggrieved Employees will be bound by this release of PAGA claims even if they, or any of them, request to be excluded from the Settlement in accordance with Paragraph 9.5 [of the Settlement Agreement].

G. THE SETTLEMENT IS SUBJECT TO COURT APPROVAL AND WILL BE VOID IF THE COURT DENIES FINAL APPROVAL.

It is possible that the Court will decline to grant final approval of the Settlement or decline to enter judgment on its order granting final approval. It is also possible that the Court will enter a judgment on its order granting final approval that is subsequently reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void, meaning that Defendant will not pay any money and Class Members will not release any claims against Defendant.

5. YOUR RIGHTS AND OPTIONS

A. HOW WILL I GET PAID?

For every Participating Class Member (*i.e.*, every Class Member who does not opt-out), the Administrator will send, by U.S. Mail, an Individual Class Payment Check and, to those who qualify as Aggrieved Employees, a separate Individual PAGA Payment check. For every Non-Participating Class Member (*i.e.*, every Class Member who opted out of the Class Settlement) who qualifies as an Aggrieved Employee, the Administrator will send, by U.S. Mail, a single Individual PAGA Payment check.

The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check(s) expires (the void date). If you do not negotiate the check(s) by the void date, your check(s) will be automatically cancelled. Any unclaimed funds from any uncashed checks, plus any interest thereon, shall be distributed to the California State Controller's Unclaimed Property Fund in the names of the Participating Class Members and/or Aggrieved Employees. If the monies represented by your check(s) are sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

Your check(s) will be sent to the same address as indicated on this Notice. If you change your address (or want your check sent to a different address), please be sure to notify the Administrator as soon as possible. Sections 5B and 8 of this Notice have the Administrator's contact information.

B. CAN I DISPUTE THE NUMBER OF WEEKS OR PAY PERIODS DEFENDANT CLAIMS I WORKED?

Yes. If you disagree with the number of workweeks and/or PAGA Period pay periods reported for you in Defendant's records, you may file a written dispute with the Administrator by [REDACTED], 2025. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax to the Administrator at the following address:

[REDACTED] CLASS ACTION ADMINISTRATOR

[Administrator]

[Address, telephone, and fax]

The Administrator's contact information is also provided below in section 8.

Any dispute submitted to the Administrator as to the number of workweeks and/or pay periods must be in writing and include proof supporting your dispute. In the absence of any contrary documentation, the Administrator is entitled to presume that the workweeks and pay periods contained in this Notice are correct so long as they are consistent with the Class Data. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve the workweek and/or pay period challenges based on your submission and input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's determination is final and binding. You cannot appeal or otherwise challenge the Administrator's final decision.

Do not contact the court to dispute the calculation of your Class Period workweeks and/or PAGA Period pay periods.

C. CAN I OBJECT TO THE SETTLEMENT?

Yes, but **only** as to the Class Settlement **and only if** you do not opt out of the Class Settlement. If you do not wish to opt out of the Class Settlement but disagree with any portion of the Class Settlement, you have the right to file an objection. If you opt out of the Class Settlement, you will not be eligible to object to any portion of the Class Settlement.

If you do not opt out of the Class Settlement, you can object to the Class Settlement and you can give reasons why you think the Court should not approve it. The Court will consider your position. Your objection must state, in writing, the specific reason for your objection, including any legal support, as well as your full legal name, date of birth, and the dates you worked as a non-exempt employee of Defendant and must be mailed, faxed, or emailed to the Administrator no later than [REDACTED], 2025. In the alternative, you may appear in Court (or hire an attorney to appear in Court at your own expense) to raise oral objections or offer comments at the Final Approval Hearing.

Whether or not you object to or opt out of the Class Settlement, you may not object to the PAGA Settlement for any reason. This means that, if you qualify as an Aggrieved Employee, you will automatically be bound by the PAGA Settlement and related release.

D. CAN I OPT OUT OF THE SETTLEMENT?

Yes, but **only** to the Class Settlement. You cannot opt out of the PAGA Settlement.

Unless you notify the Administrator in writing that you wish to opt out of the Class Settlement, you will be treated as a Participating Class Member participating fully in the Class Settlement. The easiest way to notify the Administrator that you request to be excluded from the Class Settlement is by submitting the

“Request for Exclusion” form provided in this Notice by [REDACTED], 2025. The Request for Exclusion form should be submitted by you or your representative and it must: (a) include your name, the last four digits of your social security number, and your signature; and (b) indicate that you desire to exclude yourself from the Class Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage-and-hour claims against Defendant. If you submit a timely and valid Request for Exclusion, as determined by the Administrator, you will not be eligible to object to any aspect of the Settlement.

You cannot opt out of the PAGA Settlement. Class Members who exclude themselves from the Class Settlement (*i.e.*, 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.

If you opt out of the Class Settlement, your share of the non-PAGA Settlement proceeds may be divided up amongst the Participating Class Members.

E. WHAT IF I DO NOTHING?

If you do nothing, you will receive your Individual Class Payment and/or Individual PAGA Payment, if any, from the Net Settlement Amount but only *if* and *after* the Court grants final approval. Even if you do not cash your settlement check(s), you will still be bound by all the terms of the Settlement, including the waivers and releases discussed in Section 4F, and you will be prevented from suing Defendant or participating in any other litigation or class action as to the matters being settled in this Action.

6. PROHIBITION AGAINST RETALIATION

Defendant has agreed to this Settlement and it shall not discriminate and/or retaliate against any Class Member who accepts benefits under this Settlement. Your participation in this Settlement will in no way affect your employment relationship with Defendant.

7. FINAL APPROVAL OF SETTLEMENT

A. HOW AND WHEN WILL THE COURT PROVIDE FINAL APPROVAL OF THE SETTLEMENT?

The Los Angeles County Superior Court of the State of California will hold a Final Approval Hearing on [REDACTED], 2025, at [REDACTED] a.m./p.m., in Department 6, located at 312 North Spring Street, Los Angeles, California 90012, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve the Class Representative Service Payments, Class Counsel’s fees and litigation expenses, and the expenses incurred by the Administrator to effectuate the Settlement. The Court will invite comments from Class Members who have submitted written objections, Class Counsel, and Defense Counsel before making a decision. Though your attendance is not required, you may attend (or hire a lawyer to attend) either personally or virtually via [remote link]. It is possible the Court may 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.

B. WHEN WILL I GET MY SETTLEMENT CHECK(S)?

If there are no appeals to the Court’s order granting final approval of the Settlement, the check(s) representing the Individual Class Payment and/or Individual PAGA Payment will be mailed out approximately 37 days after the Court enters judgment on its order granting final approval of the Settlement.

8. GETTING MORE INFORMATION

This Notice does not contain all the terms of the Settlement or all of the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court.

You may also visit the Administrator’s website at [\[Administrator’s website\]](#) to find specific documents related to this case and be able to access the Notice and other forms. There is no charge to view the documents on this website. You may also contact Class Counsel or the Administrator for information about this Action:

<i>Class Counsel for Plaintiffs and the Settlement Class</i>
Arrash T. Fattahi, Esq. arrash.fattahi@wilshirelawfirm.com Arman A. Salehi, Esq. arman.salehi@wilshirelawfirm.com WILSHIRE LAW FIRM 3055 Wilshire Boulevard, 12th Floor Los Angeles, California 90010 Tel: (213) 381-9988 Fax: (213) 381-9989
<i>The Administrator</i>
[Name] [Address]

**DO NOT TELEPHONE, WRITE, OR OTHERWISE CONTACT THE SUPERIOR COURT TO
OBTAIN INFORMATION ABOUT THE SETTLEMENT.**

REQUEST FOR EXCLUSION

Fernando Alberto Acevedo, et al. v. Crocs Retail, LLC, et al.
Los Angeles County Superior Court Case No. 23STCV15354

I, [Class Member], want to OPT-OUT of the Class in the lawsuit entitled *Fernando Alberto Acevedo, et al. v. Crocs Retail, LLC, et al.*, Superior Court of the State of California, County of Los Angeles, Case No. 23STCV15354. I understand that, by excluding myself from the Class, I will neither receive an Individual Class Payment, as described in the accompanying Class Notice, nor have the right to object to the Class Settlement. Additionally, if I am an Aggrieved Employee, I also understand that I am not excluding myself from the PAGA Settlement and that I will receive an Individual PAGA Payment.

Signature

Date

Print Name of Class Member or
Representative

Last Four Digits of
Social Security Number

**TO BE EFFECTIVE, PLEASE RETURN THIS TO THE ADMINISTRATOR BY [DATE] AT THE
FOLLOWING ADDRESS:**

[Insert name and address of administrator]

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Exhibit 2

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

5/20/2025
Accrual Basis

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
COS					
Mediation Fees					
	11/6/2023	4971	Mediation Fee	14,000.00	14,000.00
Total MEDIATION FEES				14,000.00	14,000.00
Expert Fees					
	5/22/2024	11834	Expert Fees	3,900.00	3,900.00
Total EXPERT FEES				3,900.00	3,900.00
Legal Expenses					
	4/4/2023	848097210	Legal Research	96.42	96.42
	4/4/2023	848097210	Legal Research	25.25	25.25
	7/10/2023		PAGA Fee	75.00	75.00
	3/6/2024		PAGA Fee	75.00	75.00
	5/22/2024	INV108219-01-01	Legal Research	1,700.00	1,700.00
	6/10/2024	850271793	Legal Research	133.28	133.28
	6/10/2024	850271793	Legal Research	47.16	47.16
Total LEGAL EXPENSES				2,152.11	2,152.11
Process Service Fees					
	7/3/2023	20714958	Attorney Services	1,494.99	1,494.99
	8/11/2023	63124	Attorney Services	145.00	145.00
	8/14/2023	63178	Attorney Services	45.00	45.00
	8/30/2023	21106483	Attorney Services	173.11	173.11
	9/1/2023	21134041	Attorney Services	39.28	39.28
	9/7/2023		Attorney Services	2.00	2.00
	9/8/2023	21158337	Attorney Services	18.69	18.69
	10/10/2023		Attorney Services	6.60	6.60
	10/10/2023	21392915	Attorney Services	18.69	18.69
	11/6/2023	304789	Attorney Services	135.72	135.72
	11/15/2023	21639847	Attorney Services	39.28	39.28
	2/9/2024	314633	Attorney Services	153.00	153.00
	4/22/2024	22726068	Attorney Services	467.55	467.55
	5/8/2024	22851119	Attorney Services	20.74	20.74
	5/18/2024	324838	Attorney Services	147.00	147.00
	6/5/2024	23051537	Attorney Services	41.33	41.33
	6/5/2024	76993	Attorney Services	135.00	135.00
	6/5/2024	77030	Attorney Services	45.00	45.00
	6/5/2024	76999	Attorney Services	144.00	144.00
	8/1/2024	335775	Attorney Services	153.00	153.00
	8/30/2024	23640029	Attorney Services	16.42	16.42
	9/4/2024	23655019	Attorney Services	41.33	41.33
	9/11/2024	23706787	Attorney Services	41.33	41.33
	11/4/2024	347253	Attorney Services	153.00	153.00
	11/14/2024	24135690	Attorney Services	43.06	43.06
	12/13/2024		Attorney Services	5.40	5.40
	12/16/2024	24333490	Attorney Services	43.06	43.06
	12/18/2024	24351150	Attorney Services	43.06	43.06
	12/20/2024	24374837	Attorney Services	23.44	23.44
	12/23/2024		Attorney Services	5.00	5.00
	12/23/2024	24376489	Attorney Services	23.44	23.44
	12/26/2024	24388334	Attorney Services	86.42	86.42
	2/5/2025	359083	Attorney Services	225.00	225.00
	2/19/2025	24743325	Attorney Services	45.12	45.12
	2/27/2025	24806385	Attorney Services	23.44	23.44
	2/27/2025	24806840	Attorney Services	23.44	23.44
	3/5/2025	367271	Attorney Services	67.00	67.00
	3/13/2025	24911684	Attorney Services	23.44	23.44
	3/14/2025		Attorney Services	2.00	2.00
	3/20/2025		Attorney Services	10.20	10.20
	3/20/2025		Attorney Services	2.00	2.00
	4/8/2025	379007	Attorney Services	55.00	55.00
	5/2/2025	390929	Attorney Services	49.00	49.00
	5/9/2025	25350069	Attorney Services	45.12	45.12
Total PROCESS SERVICE FEES				4,520.70	4,520.70
Other Costs					

	3/17/2023	E-3128705	DocuSign Envelope	1.89	1.89
	3/28/2023	E-3043413	Printing Cost	4.50	4.50
	5/15/2023		Case Administration Fee for In-House Services	500.00	500.00
	5/15/2023	E-3145904	DocuSign Envelope	1.89	1.89
	5/15/2023	E-3145903	DocuSign Envelope	1.89	1.89
	5/17/2023	E-3090402	Postage Cost	6.85	6.85
	5/17/2023	E-3090401	Postage Cost	6.85	6.85
	5/17/2023	E-3090400	Postage Cost	6.85	6.85
	5/17/2023	E-3090399	Postage Cost	6.85	6.85
	6/12/2023	E-3123061	Postage Cost	6.85	6.85
	6/12/2023	E-3123060	Postage Cost	6.85	6.85
	7/7/2023	E-3130281	Postage Cost	7.09	7.09
	7/7/2023	E-3130278	Postage Cost	7.09	7.09
	3/4/2024	E-3183690	Postage Cost	7.60	7.60
	3/4/2024	E-3183689	Postage Cost	7.60	7.60
	1/3/2025	8-730-87279	Postage Cost	83.26	83.26
Total OTHER COSTS				663.91	663.91
TOTAL				25,236.72	25,236.72

Exhibit 3



ELM Solutions

2022 Real Rate Report[®]

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

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Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors¹ that drive rates²:

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

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

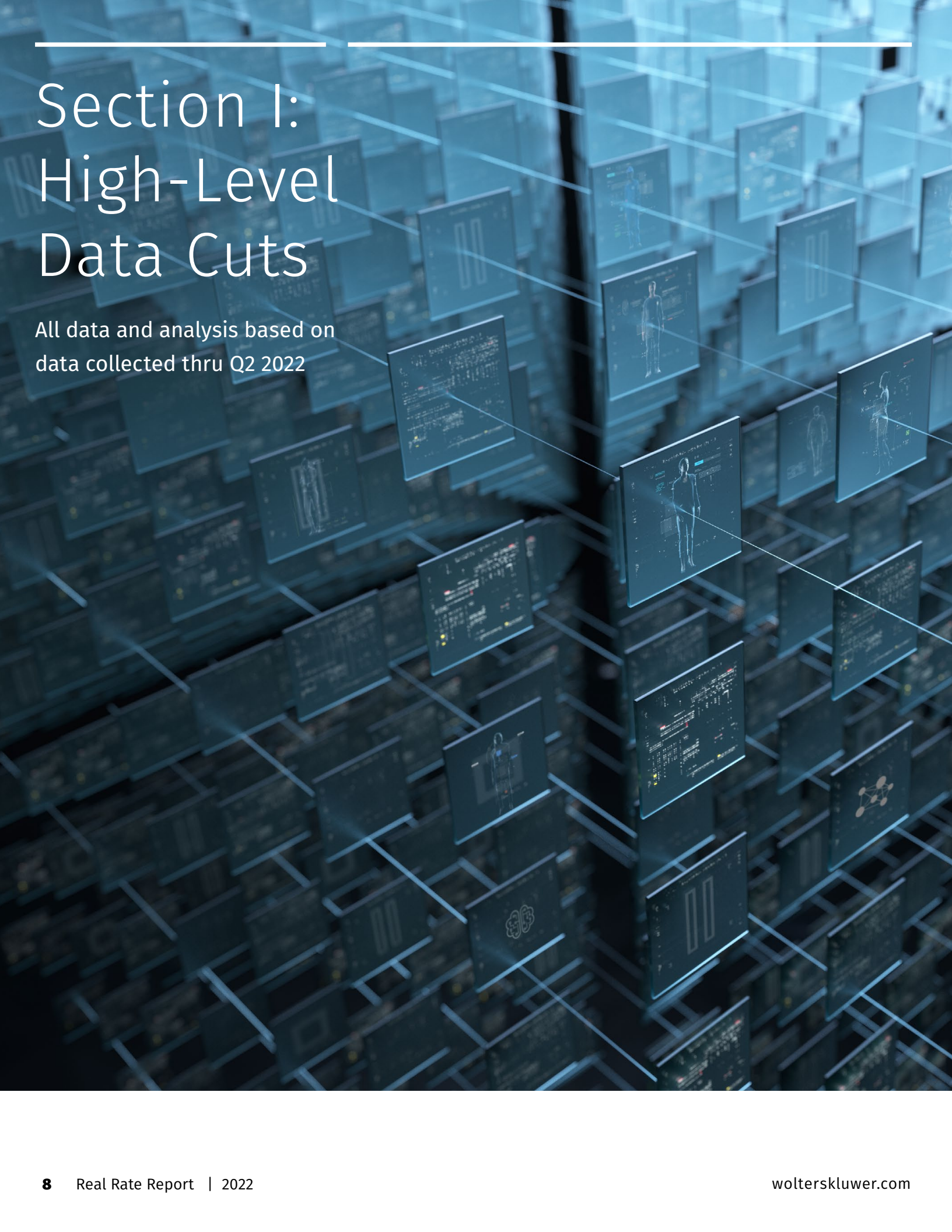
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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

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

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

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

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



Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

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



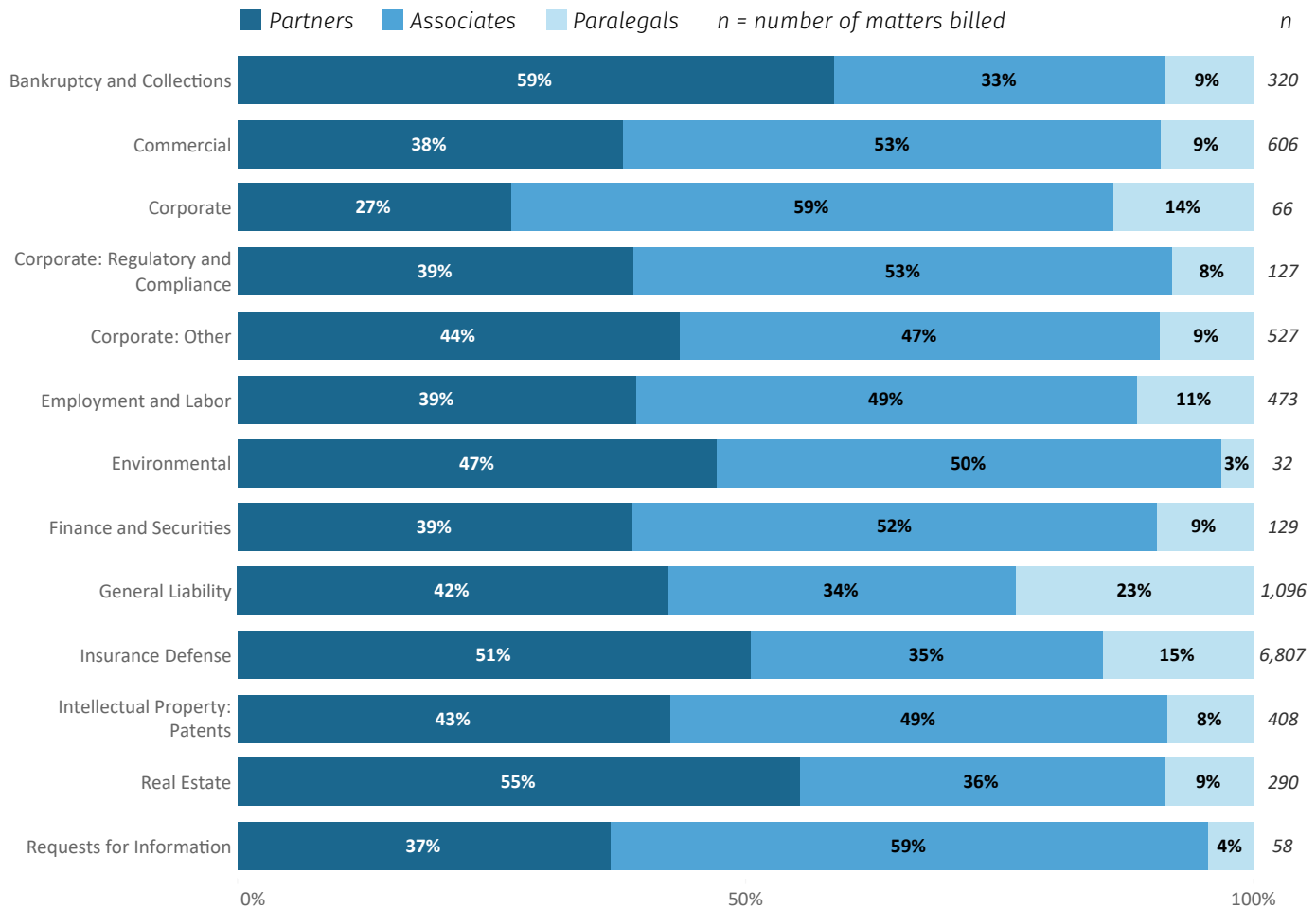
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate¹

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

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

Employment and Labor

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

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

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

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

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

General Liability

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

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

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

Exhibit 4

Free Newsletter Sign Up

Business & Practice

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

By Roy Strom

Column

June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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



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

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Documents

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STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, Ashley Narinyans, am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a party to this action. My business address is 3055 Wilshire Blvd., 12th Floor, Los Angeles, California 90010. My electronic service address is ashley.narinyans@wilshirelawfirm.com.

On **May 20, 2025**, I served the foregoing **DECLARATION OF ARRASH T. FATTAHI IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL 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:

Glenn L. Briggs (SBN 174497)
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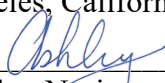
Attorneys for Defendant

(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

(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 address listed above via third-party service **CASEANYWHERE**.

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

Executed this **May 20, 2025**, at Los Angeles, California.



Ashley Narinyans