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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

JOSE DE JESUS CHIQUITO DIAZ DE LEON,
individually, and on behalf of all others similarly
situated,

Plaintiff,

v.

PHILCAL, INC., dba FARMER BOYS
VICTORVILLE, a California corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No.: CIVSB2317424

*[Assigned for all purposes to the Hon. David
E. Driscoll, Dept. S22]*

**DECLARATION OF KAREN L.
WALLACE IN SUPPORT OF
PLAINTIFF'S MOTION FOR FINAL
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

FINAL APPROVAL HEARING

Date: August 4, 2026

Time: 8:30 a.m.

Dept.: S22

*[Filed concurrently with Plaintiff's Motion for
Final Approval of Class Action Settlement;
[Proposed] Order]*

Complaint filed: July 28, 2023

FAC filed: February 7, 2024

Trial date: None set

I, Karen L. Wallace, declare as follows:

1. I am admitted and in good standing to practice as an attorney in the State of California. I am a Senior Attorney at Wilshire Law Firm, PLC (“WLF”), counsel of record for Plaintiff Jose de Jesus Chiquito Diaz de Leon (“Plaintiff”). I, along with the above-captioned attorneys of WLF (inclusively “Class Counsel”), have reviewed the case files for this matter as routinely kept by WLF in the course of litigation. Based upon the information available to Class Counsel through WLF’s record-keeping processes, I am competent to make this declaration.

2. This declaration is submitted in support of Plaintiff’s Motion for Final Approval of Class Action and PAGA Settlement (the “Motion”).

CASE BACKGROUND

3. This is a wage and hour class and representative action, initiated on July 28, 2023, in the above-captioned-court by Plaintiff, on behalf of himself and a class of similarly situated employees who worked for Defendant Philcal, Inc., dba Farmer Boys Victorville (“Defendant”) in California at any time from July 28, 2019, to June 30, 2024 (the “Class Period”) as hourly-paid non-exempt employees (“Class Members”). Defendant is a subsidiary of United Airlines, Inc. and provides critical functions related to safety, security, customer service, operational efficiency and regulatory compliance.

4. Plaintiff alleges that Defendant's uniform payroll, timekeeping, and wage and hour practices resulted in Labor Code violations, including that Defendant failed to pay for all hours worked, failed to provide employees with legally compliant meal and rest periods, and failed to reimburse business expenses. Based on these allegations, Plaintiff's complaint alleged against Defendant the following causes of action: 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 in violation of the Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200, *et seq.* (the "Action").

1 5. On August 22, 2023, pursuant to the Private Attorneys General Act (“PAGA”),
2 Lab. Code § 2698, *et seq.*, Plaintiff sent notice of Defendant’s alleged Labor Code violations to
3 and the California Labor & Workforce Development Agency (“LWDA”) and to Defendant
4 (“PAGA Notice”).

5 6. On February 7, 2024, on behalf of himself and other “Aggrieved Employees,”
6 defined as Class Members who worked for Defendant in California as hourly-paid, non-exempt
7 employees at any time from August 22, 2022, to June 30, 2024 (the “PAGA Period”), Plaintiff
8 filed a First Amended Complaint in the Action (“FAC”), adding a PAGA cause of action and
9 seeking civil penalties for the Labor Code violations alleged in the PAGA Notice. The FAC is the
10 operative complaint in the Action (“Operative Complaint”).

11 DISCOVERY, INVESTIGATION, AND NEGOTIATIONI

12 7. After initiating the Action, the Parties exchanged information, data, and documents.
13 Defendant’s production included Plaintiff’s personnel file, a sampling of Class Members’ time and
14 pay records, copies of its policies and practices in effect during the Class Period, and information
15 regarding the total number of current and former employees. The Parties have thus engaged in
16 sufficient formal and informal discovery and investigation to assess the relative merits of the claims
17 and contentions of the Parties.

18 8. After reviewing and analyzing all available information, Class Counsel were able
19 to evaluate the likelihood of class certification, success at trial on the merits, and Defendant’s total
20 maximum exposure in light of the applicable law regarding the claims and defenses asserted in the
21 action. The extensive investigation, discovery, and analysis, including Class Counsel’s damages
22 model, allowed Class Counsel to act intelligently and effectively in negotiating the Settlement.

23 SETTLEMENT NEGOTIATIONS

24 9. The Parties’ settlement negotiations were adversarial and arm’s length, with both
25 Parties willing to explore the potential for a settlement of the dispute but prepared to litigate their
26 respective positions through trial and appeal if a settlement had not been reached. After extensive
27 discussion regarding the strengths and weaknesses of Plaintiff’s claims, Defendant’s defenses, and
28 the material Settlement terms, the Parties finalized the Class Action and PAGA Settlement

1 Agreement and Class Notice (“Agreement”). A true and correct copy of the Agreement is attached
2 as **Exhibit 1**.

3 10. The Class Notice, attached as Exhibit A to the Agreement, sets forth in plain terms
4 a statement of the case, the terms of the Agreement, the approximate amount of the attorneys’ fees,
5 costs, and service award being sought, and an explanation of how the Settlement allocations are
6 calculated.

7 11. Class Counsel have thus conducted a thorough investigation into the facts
8 underlying the Action. Based on the foregoing discovery and their independent investigation and
9 evaluation, Class Counsel believe that the Settlement is fair, reasonable, and adequate and is in the
10 best interests of Class Members in light of all known facts and circumstances, including the risk
11 of significant delay, the defenses that could be asserted by Defendant, both to certification and on
12 the merits, and the risks at trial and on appeal.

13 12. On March 24, 2026, the Court preliminarily approved the Settlement and the
14 Agreement. The deadline for Class Members to opt out or object was June 30, 2026, and as of the
15 time of filing no Class Member has opted out of or objected to the Settlement. The reaction of the
16 Class to the Settlement has thus been overwhelmingly positive. *See also* Declaration of Garvin
17 Brown (“Brown Decl.”) ¶¶ 11, 12.

18 13. While Plaintiff is confident in the merits of his claims, a legitimate controversy
19 exists as to each cause of action; the Settlement obviates the significant risk that the Court may
20 deny certification of all or some of Plaintiff’s claims, and Plaintiff recognizes that proving the
21 amount of wages due to each Class Member would be expensive, time-consuming, and uncertain.
22 Furthermore, even if Plaintiff certified all or even some of the claims, continued litigation would
23 be expensive, involving a trial and possible appeals, resulting in substantial delay and reducing any
24 potential recovery by the Class.

25 14. On December 15, 2025, the Agreement was provided to the LWDA in advance of
26 Plaintiff’s filing of the Motion for Preliminary Approval of Class Action and PAGA Settlement.
27 A true and correct copy of proof of Plaintiff’s submission of the Agreement to the LWDA is
28 attached as **Exhibit 2**.

15. Plaintiff has identified and provided a sufficient basis for bringing bona fide claims against Defendant, which could very well lead to a favorable judgment should litigation continue. However, the merits of Plaintiff's claims must be weighed against the inherent risks of litigation, the uncertainties involved in certifying a class, the burdens of proof necessary to establish liability at trial, and the probability of appeal from a favorable judgment. On balance, the Parties believe that the Gross Settlement Amount is within the "ballpark" of reasonableness, and approval of the Settlement is appropriate.

16. The proposed Settlement provides Class Members timely, guaranteed relief and avoids the risk of an unfavorable judgment. Indeed, the estimated highest gross payment is \$2,031.44 and the lowest is \$8.54, with an average gross payment of \$497.74 to each Class Member. *See* Brown Decl. ¶ 16.

THE REQUESTS FOR CLASS COUNSEL FEES AND EXPENSES ARE REASONABLE

17. The Settlement provides for an attorneys' fee payment in an amount up to 33 and 1/3% of the Gross Settlement Amount for a maximum payment of \$33,333.33 (the "Class Counsel Fees Payment"), plus a payment for litigation expenses of up to \$6,500.00 (the "Class Counsel Litigation Expenses Payment").

18. The total current lodestar for WLF is not less than the following:

Person	Role	Hours	Rate	Lodestar
Tyler J. Woods	Senior Partner	5.4	\$1,200	\$6,480
Alan Wilcox	Senior Attorney	15.4	\$950	\$14,630
Karen L. Wallace	Senior Attorney	21.8	\$900	\$19,620
Total:		42.6		\$40,730

19. WLF has spent more than 42.6 hours litigating the Action to bring it to resolution, including on the Motion for Preliminary Approval and this Motion, for a minimum lodestar of \$40,730.00, not including time that will be expended monitoring the administration of the Settlement and distribution of funds to the Class Members. This cross-check of the Class Counsel Fees Payment thus shows a negative multiplier of at least 1.22. Efforts expended by Class Counsel

1 to achieve this result include the following:

- 2 a. the investigation of the Action, including meeting with Plaintiff, reviewing
- 3 Defendant's policies, requesting and reviewing Plaintiff's personnel file, reviewing
- 4 and analyzing the sampling of Class Members' time and pay records, and exploring
- 5 the corporate structure of Defendant;
- 6 b. filing the Action;
- 7 c. attending hearings and meeting and conferring with Defendant regarding the
- 8 Action;
- 9 d. meeting and conferring with Defendant regarding settlement negotiations;
- 10 e. engaging in extensive settlement discussions, followed by drafting and finalizing
- 11 the Agreement;
- 12 f. preparing and assisting in the drafting of the Motion for Preliminary Approval of
- 13 Class Action Settlement and supporting documents;
- 14 g. communicating with Class Members who sought additional information regarding
- 15 the Settlement, including answering questions regarding the Settlement;
- 16 h. communicating with the Administrator to ensure the Class Notice was properly
- 17 distributed and engaging in follow-up communications with the Administrator
- 18 regarding Class Members who sought additional information about the Settlement;
- 19 and
- 20 i. preparing the instant Motion and supporting documents.

21 20. There are additional hours devoted by Class Counsel to this Action that are not
22 reflected in the request for the Class Counsel Fees Payment.

23 21. We can provide additional billing records in the event the Court requests them but
24 would request the opportunity to redact attorney-client privileged information and any other
25 privileged information.

26 22. I believe that the Class Counsel Fees Payment and the Class Counsel Litigation
27 Expenses Payment are reasonable. WLF invested significant time and resources in the Action, with
28 payment deferred to the end of the case and, of course, contingent on the outcome.

23. It is further estimated that WLF will need to expend at least another 10 to 15 hours to monitor the process leading up to payments made to the Class. WLF also bears the risk of taking the necessary actions if Defendant fails to pay.

24. The risk to WLF has been significant, particularly if we would not prevail in the Action. In that case, we would have been left with no compensation for all the time and resources expended in litigating the Action. The contingent risk in these types of cases is very real and does manifest regularly. In addition, WLF was precluded from taking on, or focusing on, other cases that could have resulted in a larger, and less risky, monetary gain.

25. Because most people cannot afford to pay for representation in litigation on an hourly basis, WLF represents all employment law clients on a contingency basis. As a result, we are not compensated for our time unless we prevail at trial or successfully settle our clients' cases. Because WLF is taking the risk that we will not be reimbursed for our time unless our client settles or wins his or her case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, all we receive is a regular hourly rate for services. It is essential that we recover more when we win or settle to remain in practice and continue representing other individuals in civil rights and employment disputes.

26. As of the time of filing, WLF has incurred \$2,969.55 in costs, and Defendant will not oppose a request for Class Counsel Litigation Expenses of up to \$6,500.00. Accordingly, Class Counsel respectfully requests full reimbursement of \$2,969.55 in reasonably incurred expenses. A true and correct copy of our list of the costs and the categories of costs for the costs incurred in this Action to date by WLF is attached as **Exhibit 3**.

CLASS COUNSEL'S EXPERIENCE AND QUALIFICATIONS

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

28. WLF is qualified to handle this Action because its attorneys are experienced in

litigating Labor Code violations in both individual, class action, and representative action cases. WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as class actions involving consumer rights and data privacy litigation. *See* Class Counsel Decl. ¶¶ 39-54.

CLASS COUNSELS' EXPERIENCE

Tyler Woods' Qualifications

29. Tyler J. Woods is a Partner at Wilshire Law Firm, PLC and graduated from the University of California, Davis in 1999 with a Bachelor of Arts degree in Communications with minors in Spanish and Psychology. He received his Juris Doctor from USC Gould School of Law in 2004.

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

31. In late March 2024, Mr. Woods left Fisher Phillips and joined his current firm, WLF, to represent plaintiff employees. He has been and is handling many wage and hour class and representative actions litigating such matters on behalf of plaintiff employees in numerous Superior Courts. From matters representing both plaintiff and defendants, he has successfully reached the resolution of many wage and hour class, collective, and representative actions.

1 32. In July 2025, Mr. Woods obtained a jury verdict in excess of \$6,000,000 in a wage
2 and hour case in Los Angeles Superior Court against Javier’s Cantina & Grill (Los Angeles
3 Superior Court Case No. 19STCV36438)

4 33. Mr. Woods has received numerous awards for his legal work. For example, from
5 2009-2011 and 2014, he was listed as a Rising Star in Los Angeles Super Lawyers (Thomas
6 Reuters). He has also served on numerous prominent boards and in other leadership positions,
7 including currently serving on the board of the Orange County Chapter of the California
8 Restaurants Association.

9 34. Mr. Woods has also presented monthly webinars on labor and employment issues
10 to hundreds of participants since 2022, including on wage and hour issues. For example, he
11 presented “10 Reasons Employers Get Sued (and How to Avoid These Mistakes” (while a partner
12 with Fisher Phillips) and “Key Insights for Hospitality Employers: Arbitration Agreements 101”
13 (while a partner with Fisher Phillips).

14 35. In support of the reasonableness of WLF’s hourly rates, a true and correct copy of
15 an excerpt from the *2025 Real Rate Report* published by Wolters Kluwer is attached as **Exhibit 4**.
16 The Real Rate Report is widely relied upon in the legal industry because it is derived from
17 anonymized billing data taken from actual law firm invoices that were submitted to clients and
18 approved for payment, rather than from voluntary surveys or self-reported rates. Although the
19 report refers to “2025” rates, the data reflects rates charged by law firms during the first half of
20 2024 and therefore represents the most recent available objective evidence of prevailing market
21 rates.

- 22 a. The 2025 Real Rate Report’s practice-area-specific data further supports this
23 conclusion. Page 81 provides third-quartile rates for the detailed practice category
24 “Employment and Labor: Other Litigation,” which is directly analogous to the type
25 of work performed in this case. That dataset includes 24 partners and 14 associates
26 and shows a third-quartile rate of \$1,252 per hour for partners and \$564 per hour for
27 associates. These figures demonstrate that even within the specialized employment
28 litigation market, partners regularly bill well above \$1,200 per hour based on rates

1 actually charged to clients. When this practice-specific benchmark is considered
2 together with the broader regional market data, it confirms that WLF's hourly rate for
3 highly experienced counsel in a representative employment action falls within the
4 upper range of prevailing market rates rather than outside it.

5 36. In an article entitled "Big Law Rates Topping \$2,000 Leave Value 'In Eye of
6 Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author
7 describes how Big Law firms have crossed the \$2,000-per hour rate. The article also notes that law
8 firm rates have been increasing by just under 3% per year. A true and correct copy of the June 9,
9 2022 Bloomberg Law article is attached as **Exhibit 5**.

10 James Yoo's Qualifications

11 37. James Yoo is a Senior Attorney at WLF. He graduated from the University of
12 California, Los Angeles with a Bachelor of Arts in Philosophy and earned his Juris Doctor degree
13 from UCLA School of Law. He was admitted to practice law in the State of California in 2016.
14 Before joining WLF, he served as head of the Wage and Hour Department at Warmuth Law, where
15 he gained extensive experience managing wage and hour matters and negotiating settlements on
16 behalf of employees. As a Senior Attorney at WLF he leads and manages multiple complex wage
17 and hour class and representative actions under the California Private Attorneys General Act
18 ("PAGA"). He is currently overseeing more than one hundred active class action and PAGA
19 representative matters pending in courts throughout the State of California.

20 Heriberto Ponce's Qualifications

21 38. Heriberto Ponce is an Attorney at WLF, where he focuses his practice on complex
22 employment litigation, including class and representative actions under the California Private
23 Attorneys General Act ("PAGA"). He graduated from the University of Iowa College of Law in
24 2021 and was admitted to practice law in the State of California the same year. Before
25 joining WLF, Mr. Ponce practiced at Fisher Phillips LLP, where he represented private employers
26 in a broad range of labor and employment matters, including wage and hour disputes,
27 discrimination, retaliation, and other FEHA related claims. Prior to entering private practice,
28

1 Mr. Ponce served as a Deputy District Attorney with the Riverside County District Attorney's
2 Office, where he prosecuted criminal matters and gained extensive courtroom experience.

3 Ruby Carrera's Qualifications

4 39. Ruby Carrera is an Associate Attorney at Wilshire Law Firm. She graduated from
5 the University of California, Davis with a Bachelor of Arts in Communications, and earned her
6 Juris Doctor from Santa Clara University School of Law in 2020. She was admitted to the
7 California State Bar in 2022. Ruby has represented clients in both state and federal courts in a wide
8 range of matters, including wrongful termination, workplace harassment, wage and hour disputes,
9 partition actions, and real estate litigation. Before joining Wilshire Law Firm, she focused her
10 practice on single-plaintiff employment cases, where she gained significant experience litigating
11 wage and hour claims and other employment-related disputes. She now focuses her practice on
12 wage-and-hour law, including Private Attorneys General Act of 2004 ("PAGA") matters.

13 Alan Wilcox's Qualifications

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

28 ///

Karen L. Wallace's Qualifications

41. I am a Senior Settlement Attorney at WLF. I earned a Ph.D. in English at the University of California, Los Angeles, and taught literature and writing for many years. I returned to school in 2007 and earned a J.D. with a public service distinction from Southwestern Law School in 2010, when I was admitted to the California State Bar. My practice has focused on complex wage and hour and consumer cases on behalf of plaintiffs, and I have litigated class and representative actions in both state and federal courts throughout California.

CLASS REPRESENTATIVE SERVICE PAYMENT IS REASONABLE

42. Throughout the Action, Plaintiff, a former employee of Defendant, has cooperated with WLF and taken time to protect the interests of the Class. Plaintiff provided valuable information regarding the off-the-clock, meal period, and rest period claims, informed WLF of developments and information relevant to the Action, participated in decisions concerning the litigation, and made himself available to answer questions during settlement negotiations. Before we filed this Action, Plaintiff provided my office with documents regarding the claims alleged in the Operative Complaint and the PAGA Notice. The information and documentation Plaintiff provided was instrumental in establishing the Labor Code violations alleged in the Action, and the recovery for which the Settlement provides would have been impossible to obtain without him.

43. At the same time, Plaintiff faced many risks in adding themselves as the Class Representative in this Action. Plaintiff faced actual risks with their future employment, as putting themselves on public record in an employment lawsuit could also very well affect their likelihood for future employment. Furthermore, as part of this Settlement, Plaintiff is executing general releases of all claims against Defendant.

44. In turn, Class Members will now have the opportunity to participate in a Settlement, reimbursing them for alleged wage violations they may have never known about on their own or been willing to pursue on their own. If these Class Members would have each tried to pursue their legal remedies on their own, that would have resulted in each having to expend a significant amount of their own monetary resources and time, which were obviated by Plaintiff putting himself on the line on behalf of these other Class Members.

Executed on July 28, 2026, in Santa Monica, California.

12

DECLARATION OF KAREN L. WALLACE ISO MOTION FOR FINAL APPROVAL OF SETTLEMENT

Exhibit 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Jose De Jesus Chiquito Diaz De Leon (“Plaintiff”) and defendant PhilCal, Inc., dba Farmer Boys Victorville (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Jose De Jesus Chiquito Diaz De Leon v. PhilCal, Inc., dba Farmer Boys Victorville*, Case No. CIVSB2317424 initiated on July 28, 2023 and pending in Superior Court of the State of California, County of San Bernardino.
- 1.2. “Administrator” means ILYM Group, Inc. (“ILYM”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendant in California and classified as a hourly-paid or non-exempt employee who worked for Defendant during the PAGA Period.
- 1.5. “Class” means all persons employed by Defendant in California and classified as hourly-paid or non-exempt employees who worked for Defendant during the Class Period.
- 1.6. “Class Counsel” means Wilshire Law Firm, PLC.
- 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 Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10. “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, with a Spanish translation, if applicable, in the form, without material variation, attached as Exhibit 1 and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from July 28, 2019 through June 30, 2024.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of San Bernardino.
- 1.16. “Defendant” means named Defendant PhilCal, Inc., dba Farmer Boys Victorville.
- 1.17. “Defense Counsel” means Alfred J. Landegger of Landegger Verano & Davis, ALC.
- 1.18. “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 if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.22. “Gross Settlement Amount” means \$100,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and the Administrator’s Expenses.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “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 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “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.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from August 22, 2022 through June 30, 2024.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notice” means Plaintiff’s August 22, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$1,000.00) and the 75% to LWDA (\$3,000.00) in settlement of PAGA claims.

- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiff” means Jose De Jesus Chiquito Diaz De Leon, the named plaintiff in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41. “Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.42. “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.
- 1.43. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On July 28, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Periods, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees

for Expenditures, and Unfair Business Practices. On February 7, 2024, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant for Violation of the Private Attorneys General Act (“PAGA”). The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. Shortly after the filing of the Action, the Parties were able to reach a class-wide resolution.
- 2.4. Prior to negotiating, Plaintiff obtained, through informal discovery, documents relevant to this case, including but not limited to, Plaintiff’s personnel file and relevant data points for the class, a sampling of time and pay data for the Class Members, and policy documents related to Plaintiff’s claims. Plaintiff’s 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*”).
- 2.5. The Court has not granted class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$100,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$5,000.00 (in addition to any Individual Class

Payment and any Individual PAGA Payment, the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be \$33,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$6,500.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$6,250.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than \$6,250.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class

Payment will be allocated to settlement of claims for interest and penalties (the “Non-Wage Portion”). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

- 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$4,000.00 to be paid from the Gross Settlement Amount, with 75% (\$3,000.00) allocated to the LWDA PAGA Payment and 25% (\$1,000.00) allocated to the Individual PAGA Payments.
 - 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties (\$1,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
 - 3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 104 Class Members who collectively worked a total of 5,571 Workweeks, and 59 of Aggrieved Employees who worked a total 2,214 of PAGA Pay Periods.
- 4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon

as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
 - 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the

Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

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

5.1 Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2 Release by Plaintiff and the Participating Class Members: Plaintiff and all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period and facts stated in the Operative Complaint,

including, any and all claims involving any recovery of unpaid minimum wages and unpaid overtime (Cal. Lab. Code §§ 204, 1194, 1194.2, 1197, 1198), failure to provide meal and rest periods (Cal. Lab. Code §§ 226.7, 512), failure to provide accurate wage statements (Cal. Lab. Code § 226), failure to pay all wages due at separation (Cal. Lab. Code §§ 201-203), failure to reimburse business expenses (Cal. Lab. Code § 2802), and violation of Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, et seq.). Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Plaintiff and the Aggrieved Employees: Plaintiff and all Aggrieved Employees, regardless of whether they are Participating Class Members or Non-Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice that arose during the PAGA Period, including any and all claims involving any alleged failure to pay minimum wages or overtime, failure to provide meal and rest periods, failure to provide accurate wage statements, failure to pay all wages due at separation, and failure to reimburse business expenses, including Labor Code sections 201, 202, 203, 204, 210, , 226, 226.3, 510, 1174.5, 1194, 1197, 1198, 2699, 2699.3, and 2802 during the PAGA Period. Aggrieved Employees only release these claims for the duration of the PAGA Period. ("Released PAGA Claims"). The foregoing release shall be binding on Plaintiff, the Aggrieved Employees, and the State of California, and shall bar by res judicata any claim under the PAGA brought by any person, including the Aggrieved Employees, on behalf of the State of California, as to any claims predicated on the Released PAGA Claims.

6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff agrees to prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and 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 Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class

Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement, or as soon thereafter as is practicable; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

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

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

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

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice, with Spanish translation, if applicable, substantially in the form attached to this Agreement as Exhibit 1. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

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

7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later

than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. Any dispute regarding the Administrator's determination of authenticity and whether a person is a Class Member may be raised with the Court prior to or during the Final Approval Hearing.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator

via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. Any dispute regarding the Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods may be raised with the Court prior to or during the Final Approval Hearing. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

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

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their

validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: 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 Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 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 Pay Periods.
- 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, 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), 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.
- 7.8.6 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 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8.

CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE. Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 104 Class Members and 5,571 Total Workweeks during the Class period and (2) there are 59 Aggrieved Employees who worked 2,214 Pay Periods during the PAGA Period. In the event the number of Workweeks worked by the Class Members increases by more than 10% (i.e., more than 6,128 Workweeks), then Defendant has the option to either: (1) agree to increase the Gross Settlement Amount on a proportional basis above 10% (i.e., if the number of Workweeks increases by 11%, the Gross Settlement Amount shall be increased by 1%); or (2) elect to end the Class Period and PAGA Period on an earlier date in order to limit the covered number of Workweeks to no greater than 6,128 in lieu of paying an increase of the Gross Settlement Amount.

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, to elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

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

shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, pursuant to Code of Civil Procedure section 664.6, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

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

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

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

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the

Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably

required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any

existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

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

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

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

To Plaintiff:

Tyler Woods (tyler.woods@wilshirelawfirm.com)
Peter Horton (peter.horton@wilshirelawfirm.com)
Wilshire Law Firm
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010
Telephone: (213) 381-9988
Facsimile: (213) 9989

To Defendant:

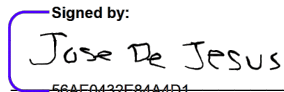
Alfred J. Landegger (alfred@landeggeresq.com)
Landegger Verano & Davis APLC
15760 Ventura Blvd., Suite 1200
Encino, CA 91436
Telephone: (818) 986-7561
Facsimile: (818) 986-5146

12.18 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.

12.19 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 that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

PLAINTIFF:

Signed by:

56AE0432E84A4D1...
JOSE DE JESUS CHIQUITO DIAZ DE
LEON

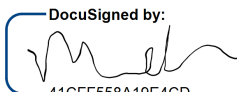
APPROVED AS TO FORM:

WILSHIRE LAW FIRM

By: 

Tyler Woods
Peter Horton
Attorneys for Plaintiff

DEFENDANT:

PHILCAL, INC.
By: 
41CFF558A19E4GD...
Name: Melissa Philippou
Title: Chief Financial Officer

LANDEGGER VERANO & DAVIS APLC

By: 
Alfred J. Landegger
Attorneys for Defendant

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

*Jose De Jesus Chiquito Diaz De Leon v. PhilCal, Inc., dba Farmer Boys Victorville, Case No.
CIVSB2317424*

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against PhilCal, Inc., dba Farmer Boys Victorville (“Defendant” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a former Defendant employee Jose De Jesus Chiquito Diaz De Leon (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for Defendant during the Class Period (July 28, 2019 to June 30, 2024); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for Defendant during the PAGA Period (August 22, 2022 through June 30, 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”).

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

The above estimates are based on Defendant’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you worked for Defendant during the Class Period and/or 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 proposed Settlement and 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 the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. 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 portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

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

	Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [date] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [date]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [date]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Defendant employee. The Action accuses Defendant of Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Periods, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees for Expenditures, and Unfair Business Practices. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Tyler Woods and Peter Horton of Wilshire Law Firm, PLC ("Class Counsel.")

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

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant attempted to resolve the Action by negotiating an end to the case by agreement(settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed 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 merit of any claims.

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

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

1. Defendant Will Pay \$100,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$33,333.33 (33 and 1/3% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$6,500.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$6,250 to the Administrator for services administering the Settlement.
 - D. Up to \$4,000.00 for PAGA Penalties, allocated 75% (\$3,000.00) to the LWDA PAGA Payment and 25% (\$1,000.00) in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross

Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, then you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [date], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the 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.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (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.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void:

Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period and facts stated in the Operative Complaint, including, any and all claims involving any recovery of unpaid minimum wages and unpaid overtime (Cal. Lab. Code §§ 204, 1194, 1194.2, 1197, 1198), failure to provide meal and rest periods (Cal. Lab. Code §§ 226.7, 512), failure to provide accurate wage statements (Cal. Lab. Code § 226), failure to pay all wages due at separation (Cal. Lab. Code §§ 201-203), failure to reimburse business expenses (Cal. Lab. Code § 2802), and violation of Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, et seq.). Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:

All Aggrieved Employees, regardless of whether they are Participating Class Members or Non-Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including any and all claims involving any alleged failure to pay minimum wages or overtime, failure to provide meal and rest periods, failure to provide accurate wage statements, failure to pay all wages due at separation, and failure to reimburse business expenses, including Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 510, 1174.5, 1194, 1197, 1198, 1199, 2699, 2699.3, and 2802 during the PAGA Period. Aggrieved Employees only release these claims for the duration of the PAGA Period. The foregoing release shall be binding on Plaintiff, the Aggrieved Employees, and the State of California, and shall bar by res judicata any claim under the PAGA brought by any person, including the Aggrieved Employees, on behalf of the State of California, as to any claims predicated on the Released PAGA Claims.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$1,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who

will advocate on behalf of Participating Class Members) and Defendant's Counsel. Any dispute regarding the Administrator's decision may be raised with the Court prior to or during the Final Approval Hearing.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Jose De Jesus Chiquito Diaz De Leon v. PhilCal, Inc., dba Farmer Boys Victorville*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [date], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least [insert] days before the [date] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website **[need details]** or the Court's website **[need details]**.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [date].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *De Leon v. PhilCal, Inc., dba Farmer Boys Victorville* and include your name, current address, telephone number, and approximate dates of employment for [Defendant] and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department [S22] of the San Bernardino Superior Court, located at 247 West Third Street, San Bernardino, CA 92415. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually (<https://www.sb-court.org/remote-appearances-and-courtroom-technology>) [**confirm**]. Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to [**specify whose**] website at [URL of website]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://cap.sb-court.org/search>) [**confirm**] and entering the Case Number for the Action, Case No. CIVSB2317424. You can also make an appointment to personally review court documents in the Clerk's Office at the San Bernardino Justice Center by calling (909) 521-3529.

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

Class Counsel:

[Name of Attorney]

[Email Address]

[Name of Firm]

[Mailing Address]

[Telephone]

Settlement Administrator:

[Name of Company]

[Email Address]

[Mailing Address]

[Telephone]

[Fax Number]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund [website] for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit 2

Coley Hayes

From: no-reply@formassembly.com
Sent: Monday, December 15, 2025 5:08 PM
To: Coley Hayes
Subject: Thank you for your Proposed Settlement Submission

12/15/2025 05:07:07 PM

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

Item submitted: Proposed Settlement

On 12/15/2025 05:07:07 PM your Proposed Settlement was successfully processed for case number LWDA-CM-977026-23

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:

https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Ccoley.hayes%40wilshirelawfirm.com%7C08d93a783893486b290208de3c3f8e58%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639014440832247625%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMilslkFOljo1TWFpbCIsIlIdUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=Ryc3J0qOdlpEi23j%2BiV%2BOPMqHsf9miE80a7ZLtf5LtM%3D&reserved=0

Exhibit 3

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

11/8/2024
Accrual Basis

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
Filing Fees						
	03/26/2026	CC033126TA-2540	Filing Fee- San Bernardino Superior Court	Order	\$0.11	\$0.11
	03/26/2026	CC033126TA-2542	Filing Fee- San Bernardino Superior Court	Order	\$2.50	\$2.61
	04/03/2026	CC043026TA-0245	Filing Fee- One Legal LLC	Notice of Ruling	\$24.73	\$27.34
	01/01/2026	CC123125TA-2746	Filing Fee- One Legal LLC	Declaration, Proposed Order, POS	\$86.62	\$113.96
	03/31/2026	JE033126JC-01	Filing Fee- Court Call	Remote Appearance Fee	\$72.00	\$185.96
	08/15/2025	JE081525TA-01	Filing Fee- Court Call	Remote Appearance Fee	\$72.00	\$257.96
	12/15/2025	JE121525JC-01	Filing Fee- Court Call	Remote Appearance Fee	\$72.00	\$329.96
	08/24/2023		Filing Fee - San Bernardino Superior Court		\$5.00	\$334.96
	06/06/2024	22155079(2)	Filing Fee- One Legal LLC		\$1.00	\$335.96
	06/06/2024	22184855(2)	Filing Fee- One Legal LLC		\$1.00	\$336.96
	08/01/2023	62556	Filing Fee- ValPro Attorney Services, LLC	New Case Filing	\$1,721.50	\$2,058.46
	08/31/2023	63878	Filing Fee - ValPro Attorney Services, LLC	POS	\$95.00	\$2,153.46
	04/04/2024	22155079	Filing Fee- One Legal LLC	Notice	\$20.68	\$2,174.14
	04/04/2024	22184855	Filing Fee- One Legal LLC	Amended Complaint	\$20.68	\$2,194.82
	12/16/2024	24329383	Filing Fee- One Legal LLC	Statement of Case	\$20.86	\$2,215.68
	04/10/2025	25116662	Filing Fee- One Legal LLC	Case Management Conference	\$22.87	\$2,238.55
	08/24/2023	241032	Filing Fee- Department of Industrial Relations	PAGA Notice	\$75.00	\$2,313.55
	02/07/2024	217147	Filing Fee- Court Call	Remote Appearance Fee	\$72.00	\$2,385.55
	04/30/2024	199993	Filing Fee- Court Call	Remote Appearance Fee	\$72.00	\$2,457.55
	04/09/2025	241032	Filing Fee- Court Call	Remote Appearance Fee	\$72.00	\$2,529.55
	08/29/2023	63828	Filing Fee - ValPro Attorney Services, LLC	W&H Servee	\$140.00	\$2,669.55
	FUTURE		Filing Fee - One Legal LLC	MFA and Compliance Dec and Remote Appearance	\$300.00	\$2,969.55
Total FILING FEES					<u>\$2,969.55</u>	<u>\$2,969.55</u>
TOTAL					\$2,969.55	\$2,969.55

Exhibit 4



ELM Solutions

2025 Real Rate Report[®] powered by LegalVIEW[®] DynamicInsights

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

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NOTE:

You may experience an issue that can sometimes occur in PDF viewer. Thin lines (like table borders) may appear to “disappear” or look broken when zoomed out in a PDF viewer. This is usually a display/rendering issue rather than a problem with the actual content of the PDF.

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- Uncheck Enhance thin lines (if it's checked).
- Restart Acrobat and reopen the PDF.

A Letter to Our Readers

Welcome to the latest edition of the Real Rate Report®, the legal industry's most trusted benchmark for legal billing rates.

Since 2010, the Real Rate Report has helped legal departments and law firms make smarter decisions about pricing, resourcing, and vendor management. That hasn't changed. What has changed is how we deliver those insights.

This year, the Real Rate Report is powered by LegalVIEW® DynamicInsights—our new digital-first platform that brings the same trusted LegalVIEW data to life in a more interactive, flexible, and timely way. Leveraging Wolters Kluwer's LegalVIEW database, with over \$200B in anonymized, approved, invoice data, LegalVIEW DynamicInsights offers dynamic filters, quarterly updates, and calendar-year alignment to help users tailor benchmarks to their unique needs, on demand.

The Real Rate Report remains a vital snapshot of the market, and we know many of you rely on it as a reference tool. But DynamicInsights goes further. It enables deeper exploration of rate trends by role, experience, geography, practice area, industry, and more. Whether you're negotiating rates, evaluating law firm performance, or planning budgets, DynamicInsights gives you the agility and precision today's legal environment demands.

As always, we welcome your feedback and thank our data contributors for making this work possible. We're proud to be your partner in legal analytics and look forward to continuing to deliver insights that drive better business outcomes.

Sincerely,



Brian Jorgenson

Vice President, Product Management
Wolters Kluwer ELM Solutions

Real Rate Report Overview

The Real Rate Report is powered by LegalVIEW DynamicInsights, a web-based solution that delivers dynamic, invoice-backed insights through approved legal billing rates. It enables legal professionals to analyze rate trends by role, experience, industry, geography, practice area, and more using the world's largest repository of legal spend data.

DynamicInsights leverages the same trusted LegalVIEW database that has powered the Real Rate Report for years, now encompassing over \$200B+ in anonymized, approved legal invoice data. As with previous Real Rate Reports, our data is sourced from corporations' and law firms' e-billing and time management solutions. We have included lawyer and paralegal rate data filtered by specific practice and sub-practice areas, metropolitan areas, and types of matters. This level of granularity gives legal departments and law firms the precision they need to identify areas of opportunity.

What's different with DynamicInsights?

Same source, same methodology: DynamicInsights uses the same rigorous data validation and methodology as the Real Rate Report.

- **Enhanced flexibility:** With dynamic filters, DynamicInsights enables users to tailor benchmarks to their unique needs and on demand.
- **Full year data:** DynamicInsights now aligns to a calendar year view—January through December—replacing the previous July-to-June format used in the Real Rate Report, reducing confusion and improving consistency across reporting periods.
- **More up to date:** Unlike the annual and static Real Rate Report, DynamicInsights is refreshed quarterly, offering more timely insights.
- **Digital-first access:** Delivered via a secure online interface, users can interact with the data, bookmark views, and share insights in real time.

DynamicInsights provides the same level of credibility and analytical power long trusted in the Real Rate Report with more agility and transparency for today's legal environment.

2025 Real Rate Report use considerations

- 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 DynamicInsights and this report are derived 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.

Legal departments 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.

Examples of data to consider when reviewing rates:

- **Industry** – Compare spend and rate trends across various industries
- **Practice area** – Analyze cost variations in different legal practice areas
- **Detailed practice area** – Drill down into niche legal specialties for precise benchmarking
- **Am Law** – Benchmark against top-ranked law firms for competitive rate analysis
- **City** – Understand rate trends in specific metropolitan areas
- **Country** – Gain a global perspective on legal costs and spend management
- **Role** – Assess legal spend distribution across different law firm roles

Real Rate Report Overview

Understanding key statistical terms

To help interpret the legal rate data presented in DynamicInsights and this report, it's important to understand the statistical measures used. Below are definitions of the core metrics:

- **Mean (average):** The sum of all rate values divided by the total number of values added. It provides a general sense of the central tendency of the rates but can be influenced by extreme values (outliers).
- **Median:** The middle value when all rates are arranged in ascending order. If there is an even number of rates being analyzed, the median is the average of the two middle rates. It is a robust measure of central tendency of rates that is less affected by outliers.
- **First quartile (Q1):** The value below which 25% of the rates fall. It marks the lower boundary of the middle 50% of the rates and helps identify the lower range of typical values.
- **Third quartile (Q3):** The value below which 75% of the rates fall. It marks the upper boundary of the middle 50% of the rates and helps identify the upper range of typical values.
- **n:** The number of unique timekeepers contributing to the data.

These metrics are used to provide a more nuanced view of legal rates, helping users identify trends, outliers, and benchmarks across various dimensions.

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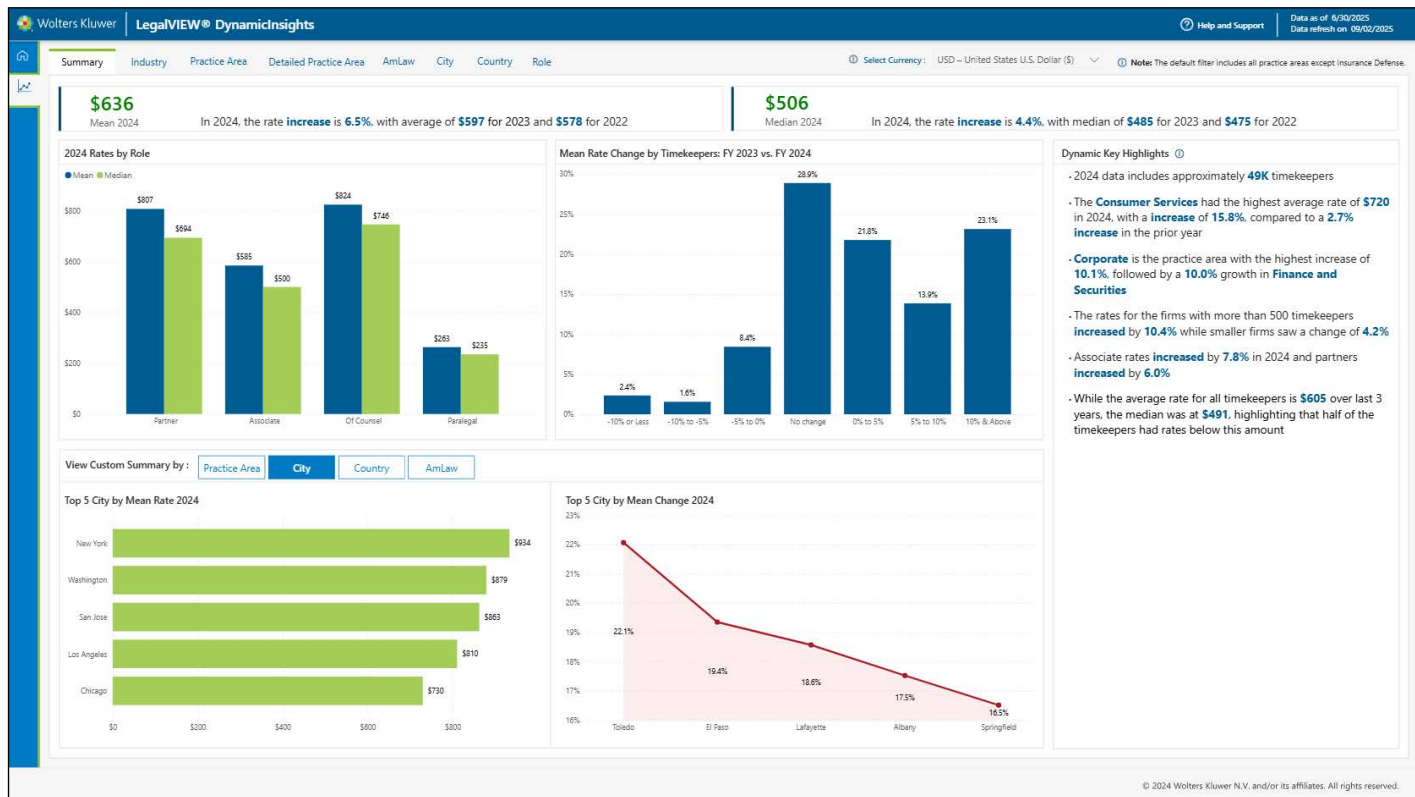
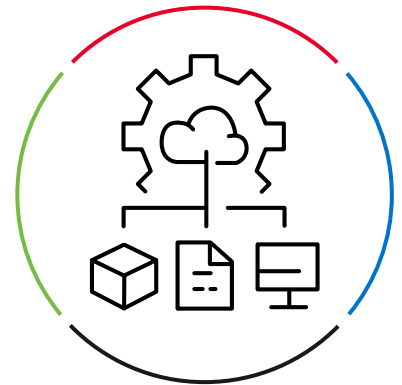


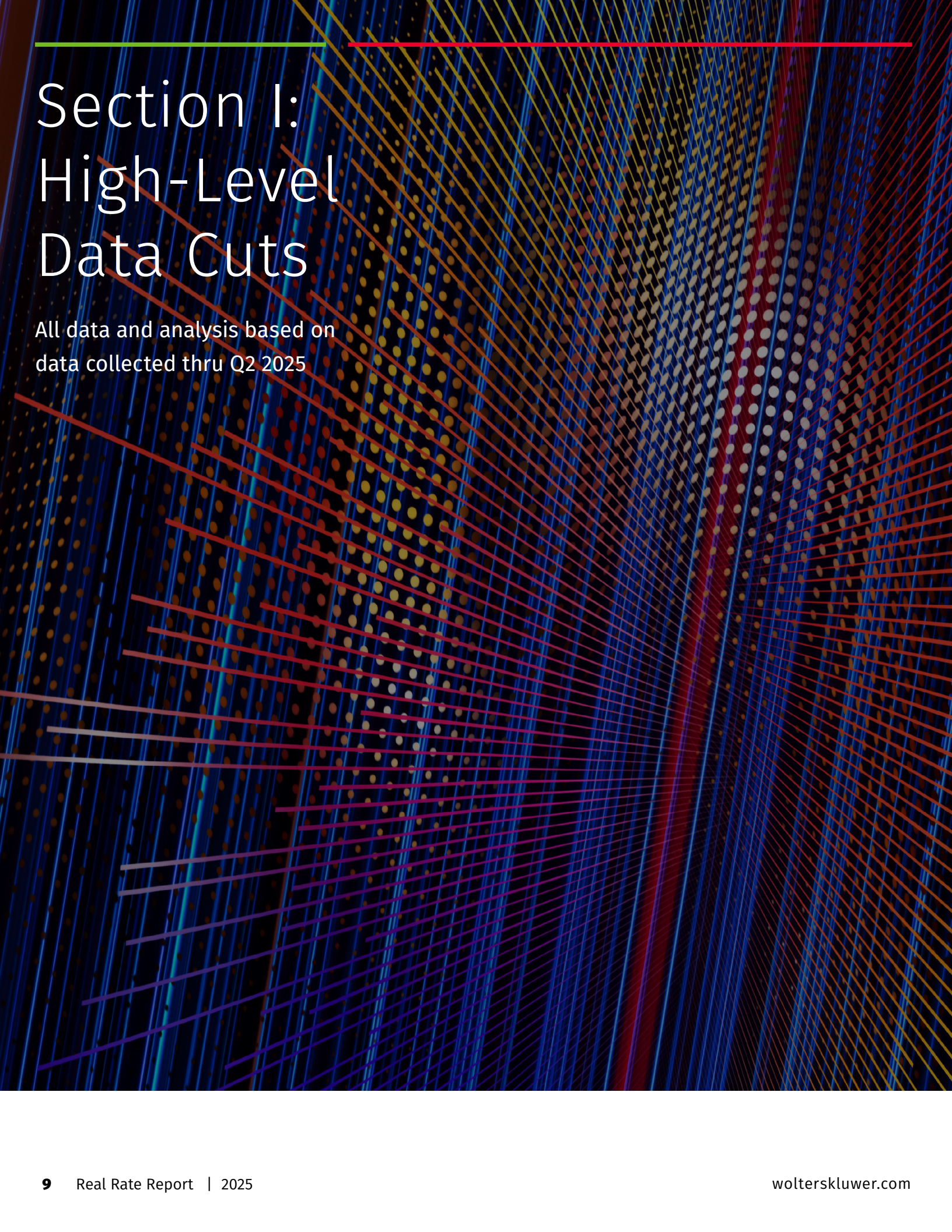
LegalVIEW® DynamicInsights

Legal rates keep climbing and 2026 will be no exception. Stay ahead with award-winning insights designed to give your team the edge in every negotiation.

Data that wins awards...and rate negotiations

- **Unmatched Data Power:** Leverages over **\$200B** in invoice-backed legal spend data to deliver deep, actionable insights.
- **Strategic Legal Spend Management:** Empowers legal teams to negotiate smarter, plan more effectively, and control costs with greater precision.
- **Enhanced Transparency & Collaboration:** Strengthens law firm-client relationships through data-driven transparency and benchmarking.
- **Insight-Driven Decision Making:** Enables analysis across key dimensions to support strategic negotiations and financial optimization.





Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2025

Section I: High-Level Data Cuts

Cities
By Role

2025 Real Rates for Associate and Partner

Trend Analysis - Mean

City	Role	n	First Quartile	Median	Third Quartile	2025	2024	2023
Los Angeles CA	Partner	565	\$517	\$925	\$1,365	\$993	\$979	\$913
	Associate	518	\$485	\$720	\$982	\$761	\$741	\$684
Louisville KY	Partner	32	\$291	\$395	\$500	\$411	\$395	\$380
	Associate	19	\$275	\$290	\$342	\$304	\$274	\$268
Madison WI	Partner	10	\$275	\$420	\$491	\$420	\$443	\$563
Memphis TN	Partner	22	\$325	\$394	\$470	\$404	\$428	\$387
Miami FL	Partner	191	\$250	\$525	\$733	\$547	\$570	\$575
	Associate	128	\$175	\$330	\$479	\$357	\$389	\$393
Milwaukee WI	Partner	32	\$364	\$459	\$649	\$524	\$581	\$525
	Associate	18	\$322	\$455	\$690	\$498	\$462	\$404
Minneapolis MN	Partner	138	\$475	\$694	\$918	\$692	\$673	\$637
	Associate	111	\$333	\$450	\$620	\$485	\$467	\$432

Section I: High-Level Data Cuts

Cities
By Years of Experience

2025 Real Rates for Partner						Trend Analysis - Mean		
City	Years of Experience	n	First Quartile	Median	Third Quartile	2025	2024	2023
Phoenix AZ	21 or More Years	25	\$350	\$490	\$674	\$559	\$499	\$540
Pittsburgh PA	Fewer Than 21 Years	41	\$501	\$600	\$810	\$669	\$658	\$599
	21 or More Years	72	\$480	\$691	\$860	\$705	\$733	\$669
Portland ME	21 or More Years	18	\$386	\$435	\$484	\$418	\$421	\$381
Portland OR	Fewer Than 21 Years	17	\$402	\$465	\$525	\$599	\$536	\$509
	21 or More Years	32	\$470	\$525	\$639	\$594	\$607	\$553
Raleigh NC	21 or More Years	12	\$396	\$475	\$510	\$489	\$477	\$477
Richmond VA	Fewer Than 21 Years	10	\$604	\$703	\$855	\$707	\$746	\$687
	21 or More Years	24	\$431	\$713	\$1,084	\$739	\$756	\$726
Salt Lake City UT	Fewer Than 21 Years	12	\$395	\$447	\$459	\$422	\$445	\$412
	21 or More Years	16	\$350	\$463	\$521	\$480	\$433	\$407
San Diego CA	21 or More Years	33	\$438	\$785	\$1,334	\$894	\$898	\$882



Section II: Industry Analysis

All data and analysis based on
data collected thru Q2 2025

Section II: Industry Analysis

Consumer Services

By Detailed Practice Area and
Matter Type

2025 - Real Rates for Associate and Partner

Trend Analysis - Mean

Practice Area	Matter Type	Role	n	First Quartile	Median	Third Quartile	2025	2024	2023
Employment and Labor: Discrimination, Retaliation and Harassment / EEO	Litigation	Partner	27	\$393	\$495	\$613	\$509	\$463	\$436
		Associate	19	\$400	\$475	\$493	\$437	\$387	\$370
Employment and Labor: Other	Litigation	Partner	24	\$564	\$692	\$1,252	\$956	\$782	\$683
		Associate	14	\$384	\$469	\$564	\$553	\$484	\$458
	Non-Litigation	Partner	25	\$450	\$574	\$695	\$579	\$573	\$548
		Associate	25	\$397	\$450	\$525	\$465	\$472	\$456
Intellectual Property: Patents	Non-Litigation	Partner	41	\$350	\$595	\$691	\$605	\$652	\$634
		Associate	51	\$208	\$373	\$517	\$382	\$378	\$389
Real Estate: Leasing	Non-Litigation	Partner	17	\$410	\$539	\$865	\$616	\$664	\$667
		Associate	10	\$278	\$404	\$617	\$482	\$444	\$478
Real Estate: Other	Non-Litigation	Partner	58	\$480	\$626	\$940	\$694	\$612	\$540
		Associate	39	\$320	\$460	\$733	\$503	\$468	\$415

Exhibit 5

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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To contact the editors responsible for this story: Chris Opfer at copfer@bloomberglaw.com; John Hughes at jhughes@bloombergindustry.com

Documents

[Trustee's Objection](#)

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[Overworked Big Law Can't Find Enough Lawyers With Demand Surging](#)

Dec. 9, 2021, 3:00 AM

[Never Underestimate Big Law's Ability to Raise Billing Rates](#)

Aug. 12, 2021, 3:00 AM

Law Firms

Simpson Thacher
Hogan Lovells
Jones Day
Skadden
Sidley Austin
Quinn Emanuel
Cravath Swaine & Moore
Latham & Watkins
Kirkland & Ellis
Boies Schiller Flexner

Topics

expert fees
compensation of bankruptcy attorney
acquisitions
U.S. trustees
financial markets
client-paid legal fees
data breaches

Companies

Johnson & Johnson
Thomson Reuters Corp