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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

MONIQUE HILL, individually, and on behalf of all others similarly situated,

Plaintiff,

v.

WATERMANIDENCE OPCO, LLC, a limited liability company; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CIVSB2406205

[Assigned for All Purposes to the Hon. Khymberli S. Apaloo, Dept. S25]

DECLARATION OF TYLER J. WOODS IN SUPPORT OF MOTION FOR APPROVAL OF PAGA SETTLEMENT

PAGA Approval Hearing:
Date: January 12, 2027
Time: 8:30 a.m.
Dept: SJ 4

Action Filed: March 29, 2024

DECLARATION OF TYLER J. WOODS

I, Tyler J. Woods, declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a partner at Wilshire Law Firm, PLC ("WLF" or "PAGA Counsel"), counsel for Plaintiff Monique Hill ("Plaintiff") in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiff's Motion for Approval of PAGA Settlement.

Relevant Facts and Procedural History

3. On March 29, 2024, Plaintiff filed this action as a putative class action against Defendant Watermanidence OPCO, LLC ("Defendant") alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices. On April 18, 2024, Plaintiff filed a First Amended Complaint adding an allegation for civil penalties pursuant to California Private Attorneys General Act, Cal. Labor Code § 2699, et seq. ("PAGA"). Defendant does business as Waterman Canyon Post Acute. On May 20, 2025, the Court granted Defendant's motion to compel arbitration of Plaintiff's individual PAGA and non-PAGA claims, dismissed Plaintiff's class claims, and stayed Plaintiff's non-individual PAGA claims. The First Amended Complaint, with the class claims dismissed, is the operative complaint in this Action (the "Operative Complaint"). Settlement Agreement § 2.1.

4. Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice on February 13, 2024, to the Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support (LWDA-CM- 1010846-24). Attached hereto as **Exhibit 1** is true and correct copy of the February 13, 2024, PAGA Notice Letter.

5. PAGA Counsel conducted a thorough investigation into the facts of, and applicable

law to, the PAGA Action. Plaintiff obtained through informal discovery a representative sampling of time and payroll data for Aggrieved Employees and the necessary policy documents to properly evaluate the strengths and weaknesses of the claims and engage in meaningful settlement discussions. The data sample covered approximately 190 employees, 30,512 shifts, 7,657 workweeks, and 4,023 biweekly pay periods between February 13, 2023 and June 5, 2025. We retained a consulting expert, Berger Consulting Group LLC, which analyzed the sample and extrapolated the results to the full PAGA Period (approximately 724 Aggrieved Employees, 119,674 shifts, 30,032 workweeks, and 15,779 pay periods through January 14, 2026). Settlement Agreement § 2.4.

6. On January 27, 2026, the Parties were able to reach an agreement on general settlement terms. The settlement was negotiated in light of all known facts and circumstances and the uncertainty associated with litigation – including the risk of Plaintiff not being able to maintain representative claims, the difficulty of proving Plaintiff's claims in a manageable trial, the merits of Defendant's potential defenses, and the significant delay and potential appellate issues inherent to litigation – and was reached after extensive arm's length negotiations. The Parties' informal settlement discussions took place before the preliminary arbitration management conference scheduled for March 3, 2026. Settlement Agreement § 2.3. Defendant executed the Settlement Agreement on June 16, 2026, Plaintiff executed it on July 29, 2026, and counsel approved it as to form on July 30, 2026 and August 11, 2026. The Parties have disclosed one related action, *McHenry v. Watermanidence Opco, LLC* (San Bernardino County Case No. CVISB2522536), which was settled on an individual basis and in which the PAGA claims are in the process of being dismissed. Settlement Agreement § 2.5.

PAGA Settlement

7. The Settlement Agreement negotiated by the Parties provides for a Gross Settlement Amount ("GSA") payment in the amount of $225,000.00 to resolve the PAGA Action. Settlement Agreement §§ 1.13, 3.1. The GSA will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees, PAGA Counsel Expenses, the Enhancement Award and the Administrator's Expenses. Settlement Agreement § 3.2. After deducting the Enhancement

Award ($7,500.00), the PAGA Counsel Fees Payment ($75,000.00), the PAGA Counsel Litigation Expenses Payment ($6,809.76), and the Administration Expenses Payment (not to exceed $10,000.00) from the GSA, the amount remaining is the Net Settlement Amount ("NSA"). Settlement Agreement § 1.18. The NSA, which is estimated to be $125,690.24, shall be distributed as PAGA Penalties with 75% of the NSA ($94,267.68) allocated to the LWDA PAGA Payment and 25% of the NSA ($31,422.56) allocated to Individual PAGA Payments. Settlement Agreement § 3.2.4. Based on the estimated 15,779 PAGA Pay Periods, each PAGA Pay Period is worth approximately $1.99, and the average Individual PAGA Payment is approximately $43.40 across the 724 Aggrieved Employees. None of the GSA will revert to Defendant. Settlement Agreement § 3.1. Attached hereto as **Exhibit 2** is a true and correct copy of the PAGA Settlement Agreement ("Settlement").

8. This PAGA Settlement amount compares favorably to the estimated amount of PAGA penalties. Plaintiff, with the assistance of our consulting expert, calculated that the maximum amount of statutory PAGA civil penalties, at $100.00 per pay period and without stacking, was potentially $1,577,900.00 for an estimated 724 employees based on 15,779 pay periods. The valuation of $1,577,900.00 is the civil penalty amount calculated at the maximum statutory rate and without stacking, which is not usually permitted. If stacking is permitted, then the valuation increases with each additional penalty added to each pay period. Plaintiff, however, is not aware of any PAGA award that permitted stacking and, in the cases cited herein, only one penalty per pay period was assessed. Taking into account the Court's discretion to reduce penalties, Defendant's defenses, and the risks of trial, I estimated, with the assistance of the consulting expert, a realistic PAGA recovery at trial of approximately $157,790.00 (10% of the unstacked maximum). The $125,690.24 in PAGA Penalties under the Settlement represents approximately 80% of that realistic estimate, and the $225,000.00 Gross Settlement Amount represents approximately 14% of the unstacked maximum.

9. Defendant maintains that Plaintiff and the Aggrieved Employees were properly compensated, and that they did not violate the Labor Code as to any of them. Accordingly, Defendant disputes and denies Plaintiff's allegations and claims asserted in the operative complaint

which are resolved by the Settlement Agreement. Defendant asserted additional defenses to the PAGA claim, not only as to liability but also as to the amount of the penalties. Defendant could argue that no penalties prior to the PAGA notification should be awarded because the violations were not intentional, and at least one Court has so ruled. These defenses present a risk to the PAGA claim and the potential that some or all the PAGA penalties sought may not be awarded. The records themselves also present liability risks. The consultant's analysis of the sample time and payroll data reflected a meal-period violation rate of approximately 0.9% net of premiums, meal-period violations in only about 8.7% of pay periods (approximately 1,365 pay periods) and rest-period violations in only about 10.1% of pay periods (approximately 1,592 pay periods) once extrapolated to the PAGA Period, and Defendant had paid meal premiums on a substantial number of shifts in the sample. Plaintiff's unpaid-wage theory, by contrast, rests on an assumed one hour of unrecorded work per workweek rather than on recorded data. In addition, the Court's May 20, 2025 order compelling Plaintiff's individual claims to arbitration and staying the non-individual PAGA claims adds further delay and uncertainty.

10. While Plaintiff is confident in the merits of the case, a legitimate controversy exists as to each cause of action for penalties, the factual allegations, the evidentiary basis, and the underlying claims. Plaintiff also took into account the fact that continued litigation would be expensive, involving a trial and possible appeals, and would substantially delay and potentially reduce any recovery to the State of California and the Aggrieved Employees. Assuming Plaintiff could prove at least one violation per pay period and the Court awarded $100.00 in PAGA penalties for each of the 15,779 pay periods during the PAGA Period, the total penalties would be approximately $1,577,900.00. As such, the Gross Settlement Amount of $225,000.00 is approximately 14% of the maximum unstacked potential liability in this case and nearly twice as much facial violations.

11. Thus, when the risks of litigation, the burdens of proof necessary to establish liability, and the probability of appeal of a favorable judgment are considered, it is clear the settlement amount of $225,000.00 is reasonable and in the best interest of the State of California and the public. Plaintiff objectively and knowledgably balanced the strengths and weaknesses of

her claims against the risk of continued litigation and were able to determine a realistic range of settlement recovery for PAGA penalties.

Attorneys' Fees and Costs

12. Plaintiff is represented by WLF. The attorneys at WLF performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment.

13. WLF has been selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms 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.

14. WLF is qualified to handle this litigation because its attorneys are experienced in litigating Labor Code violations in 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.

15. I graduated from the University of California, Davis in 1999 with a Bachelor of Arts degree in Communications with minors in Spanish and Psychology. I received by Juris Doctor from USC Gould School of Law in 2004.

16. Upon graduating from law school in 2004, I worked for international firm McDermott Will & Emery LLP practicing general litigation which included employment law matters. Since 2010, and exclusively since 2013, my 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 I was a partner), Pacific Trial Attorneys (where I was a partner), and labor and employment powerhouse Fisher Phillips (where I was a partner and head of Fisher Phillips Class Action Practice Group). At these law firms, I 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 my leadership as lead counsel during my tenure as defense counsel I 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.

17. In late March 2024, I left Fisher Phillips and joined WLF to represent plaintiff employees. I have been and am 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, I have successfully mediated the resolution of many wage and hour class, collective, and representative actions.

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

19. I have received numerous awards for my legal work. For example, from 2009-2011 and 2014, I was listed as a Rising Star in Los Angeles Super Lawyers (Thomas Reuters). I have also served on numerous prominent boards and in other leadership positions, including currently serving on the board of the Orange County Chapter of the California Restaurants Association.

20. I have also presented monthly webinars on labor and employment issues to hundreds of participants since 2022, including on wage and hour issues. For example, I presented "10 Reasons Employers Get Sued (and How to Avoid These Mistakes" (while a partner with Fisher Phillips) and "Key Insights for Hospitality Employers: Arbitration Agreements 101" (while a partner with Fisher Phillips). My current contingent billing rate of $1,200 per hour.

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

His current billing rate is $800 per hour.

22. Ruby Carrera is an Associate Attorney at Wilshire Law Firm. She graduated from the University of California, Davis with a Bachelor of Arts in Communications, and earned her Juris Doc-tor from Santa Clara University School of Law in 2020. She was admitted to the California State Bar in 2022. Ruby has represented clients in both state and federal courts in a wide range of matters, including wrongful termination, workplace harassment, wage and hour disputes, partition actions, and real estate litigation. Before joining Wilshire Law Firm, she focused her practice on single-plaintiff employment cases, where she gained significant experience litigating wage and hour claims and other employment-related disputes. She now focuses her practice on wage-and-hour law, including Private Attorneys General Act of 2004 ("PAGA") matters. Her current billing rate is $550 per hour.

23. Trenten N. Bilodeaux is an Associate Attorney at WLF. He is currently in his sixth year of practice involving corporate entities in complex class action litigation in state and federal courts. He is admitted to practice before all courts in the State of California, the State of Oregon, and the United States District Court for the Northern, Eastern, and Central Districts of California. Over the course of his career, he has participated in numerous class action settlements for similar employment and wage claims as those present here. Prior to practice, he graduated cum laude with a Bachelor of Arts in Political Science from California State University, Chico before accepting a scholarship to attend the University of the Pacific, McGeorge School of Law where he achieved a J.D. and graduated with distinction in 2020. Mr. Bilodeaux currently bills at an hourly rate of $700.00.

24. WLF's hourly rates are comparable to those charged by other class action plaintiffs' counsel and the firms defending class actions. WLF's rates are well within the range of hourly rates that the Los Angeles legal marketplace would compensate counsel for similar services accomplishing similar results. For example, in *Bronshteyn v. State of California*, Los Angeles County Superior Ct. No. 19SMCV00057, Order Granting Plaintiff's Motion for Statutory Attorneys' Fees and Costs filed March 30, 2023, an employment action brought by two small law firms (Levy, Vinick, Burrell & Hyams LLP and Law Offices of Wendy Musell), the court found

that counsel's 2022 hourly rates of $1,100 and $1,000 per hour were reasonable for the plaintiff's five senior attorneys, including $1,000 per hour for the plaintiff's 23-year lead counsel and $850 per hour for a senior associate. These rates were then augmented by a 1.75 lodestar multiplier and affirmed by the California Court of Appeals. The rates and multiplier requested here are well in line with those found reasonable in *Bronshteyn*. In *Tran v. Golden State FC LLC*, *et al*. (LASC Case No. BC699931), Fee Order filed 4/8/2022, the court found hourly rates of $1,300 per hour reasonable for plaintiff's 32-year attorney and $1,000 per hour reasonable for a 14-year attorney. The multiplier here is even more compelling given PAGA counsel represents approximately 724 Aggrieved Employees.

25. In support of the reasonableness of WLF's hourly rates, attached as **Exhibit 3** is a true and correct excerpt from the *2025 Real Rate Report* published by Wolters Kluwer. The Real Rate Report is widely relied upon in the legal industry because it is derived from anonymized billing data taken from actual law firm invoices that were submitted to clients and approved for payment, rather than from voluntary surveys or self-reported rates. Although the report refers to "2025" rates, the data reflects rates charged by law firms during the first half of 2024 and therefore represents the most recent available objective evidence of prevailing market rates.

a. The report provides rate information filtered by geographic market, practice type, and timekeeper role. Page 33 of the report reflects rates drawn from 565 partners and 518 associates practicing in Los Angeles. In that dataset, the third-quartile hourly rate is $1,365 for partners and $982 for associates. These figures confirm that Los Angeles is a high-rate legal market and that experienced litigation partners routinely bill in excess of $1,300 per hour based on rates actually paid by clients in 2024. The Real Rate Report further shows that in the San Bernardino market, partners with 21 or more years of experience command third-quartile billing rates of approximately $1,334 per hour, confirming that highly experienced litigators in major California markets routinely bill at the upper end of the rate spectrum.

b. The 2025 Real Rate Report's practice-area-specific data further supports this conclusion. Page 81 provides third-quartile rates for the detailed practice category "Employment and Labor: Other Litigation," which is directly analogous to the type of work performed in this

case. That dataset includes 24 partners and 14 associates and shows a third-quartile rate of $1,252 per hour for partners and $564 per hour for associates. These figures demonstrate that even within the specialized employment litigation market, partners regularly bill well above $1,200 per hour based on rates actually charged to clients. When this practice-specific benchmark is considered together with the broader regional market data, it confirms that WLF's hourly rate for highly experienced counsel in a representative employment action falls within the upper range of prevailing market rates rather than outside it.

c. The Real Rate Report does not provide 1st quartile or 4th quartile rates, presumably to provide a sense of the average attorney billing rates. Importantly, the third quartile represents the point below which 75% of rates fall; it is not a cap on reasonable rates. By definition, a substantial portion of partners in the relevant benchmark market routinely bill above that level, particularly those with extensive experience, specialized expertise, or leadership roles in complex litigation. Courts evaluating fee requests recognize that leading counsel in complex or representative actions may reasonably bill above median or third-quartile benchmarks where their experience, results obtained, and responsibilities justify higher rates. We firmly believe WLF belongs in the 4th quartile of attorney billing rates in Los Angeles. As previously discussed, WLF is a nationally recognized employment litigation firm that has been named one of the nation's *Best Law Firms* by U.S. News & World Report and Best Lawyers since 2020, and its attorneys regularly litigate complex wage-and-hour class and representative actions throughout California.

26. WLF has performed significant work and incurred litigation costs in prosecuting this matter with no guarantee of any payment. The efforts expended by PAGA Counsel to achieve this result include, but are not limited to, the following:

a. The investigation of the matter, including meeting with Plaintiff, reviewing Defendant's policies, and requesting and reviewing Plaintiff's time and pay records, personnel files, and exploring the corporate structure of Defendant;

b. filing the Actions;

c. attending status conferences and meeting and conferring with Defendant regarding the case;

d. meeting and conferring with Defendant regarding mediation, exchange of informal discovery beforehand, and negotiating with opposing counsel regarding the parameters thereof;

e. working with opposing counsel and expert consultants for the receipt of a representative sampling and analyzing the same with the aid of expert consultants and Plaintiff to perform analyses of liability and exposure in this matter; reviewing policy documents from Defendant and researching applicable defenses;

f. communicating with Plaintiff;

g. negotiating, finalizing and fully executing the settlement agreement; and

h. preparing and filing the instant Motion for Approval of PAGA Settlement and supporting documents.

27. WLF's current lodestar reflects the efficiencies achieved by attorneys experienced in this field with 69.95 hours of work resulting in $58,575.00 in fees. The chart below shows the calculation of hours spent by each of WLF's attorneys on this case:

Attorney	**Hours**	**Hourly Rate**	**Total**
Tyler J. Woods	17.5	$1,200.00	$21,000.00
James Yoo	31.25	$800.00	$25,000.00
Trenten N. Bilodeaux	6.1	$700.00	$4,270.00
Ruby Carrera	15.1	$550.00	$8,305.00
TOTAL	**69.95**		**$58,575.00**

28. The requested fee award of $75,000.00 represents a modest positive multiplier of approximately 1.28 on this lodestar. This amount does not include the time PAGA Counsel will spend at the PAGA approval hearing and assisting the Settlement Administrator following final approval. The multiplier will decrease as that additional time is incurred. PAGA Counsel dedicated significant resources to this case by dividing the tasks required according to skill level. The hours expended by each attorney were not duplicative and reflect the extensive

investigation and analysis that was required to achieve this Settlement. This time could have been spent on other potentially lucrative cases. PAGA Counsel's lodestar reflects the efficiencies achieved by attorneys experienced in this field. Moreover, PAGA Counsel has singularly assumed the risk and costs of litigation purely on a contingency basis. And, while Plaintiff is confident in the merits of her claims, a legitimate controversy exists as to each cause of action, posing an actual risk that Plaintiff may not succeed at trial. Any of these obstacles could have prevented recovery completely, meaning PAGA Counsel would have been left with no compensation for all the time and money invested in litigating this case. Despite these risks, PAGA Counsel took this case on a contingency basis so that the alleged Labor Code violations affecting Aggrieved Employees (a particularly vulnerable group of hourly paid workers) could be remedied through civil penalties. Consequently, PAGA Counsel was precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

29. The Court should also consider that PAGA Counsel's efforts have resulted in substantial benefits to the State of California and the Aggrieved Employees, in the form of a significant, non-reversionary settlement fund established to compensate the State of California and the Aggrieved Employees and to punish Defendant for the alleged PAGA violations. Without the efforts of PAGA Counsel, the claims alleged in the complaint would likely have gone without remedy.

30. WLF has incurred $6,809.76 in actual litigation costs, consisting of $2,388.30 in filing, service, and e-filing fees (including the $75.00 PAGA notice filing fee paid to the Department of Industrial Relations); $411.96 in mediation fees paid to JAMS, Inc.; and $4,009.50 for our consulting expert, Berger Consulting Group LLC (8.10 hours of work). All the costs incurred were reasonable and necessary for the prosecution of this case. The Settlement provides for reimbursement of costs not to exceed $20,000.00. Settlement Agreement § 3.2.2. The remaining $13,190.24 will therefore remain in the NSA to be distributed as PAGA Penalties to the LWDA and Aggrieved Employees. A true and correct copy of WLF's cost reports in this matter is attached hereto as **Exhibit 4**.

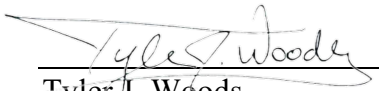
31. PAGA Counsel has negotiated a settlement here that they believe is fair, reasonable, and adequate based on their prior experience litigating these types of cases.

32. Pursuant to California Labor Code Section 2699(s)(1), Plaintiff submitted a copy of the PAGA Complaint to the LWDA on May 30,2024. Attached hereto as **Exhibit 5** is a true and correct copy of the submission confirmation for the PAGA Complaint. Pursuant to California Labor Code Section 2699(s)(2), Plaintiff submitted the proposed Settlement Agreement to the LWDA on November 6, 2026. Attached hereto as **Exhibit 6** is a true and correct copy of the submission confirmation for the proposed Settlement Agreement. To date, the LWDA has not responded to or objected to the Settlement in this matter. Plaintiff will submit a copy of the Court's judgment and order approving the Settlement Agreement to the LWDA within ten (10) days after entry of judgment or order.

33. WLF has no actual or potential conflict of interest with the Aggrieved Employees in this PAGA Action or with the Settlement Administrator that the Parties agreed to appoint, Apex Class Action Administrator.

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

Executed on November 9, 2026, at Los Angeles, California.



Tyler J. Woods

EXHIBIT 1

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February 13, 2024

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

Watermanidence Opco, LLC
1850 N. Waterman Avenue
San Bernardino, CA 92404
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6579 6120 77

Watermanidence Opco, LLC
262 N. University Ave.
Farmington, UT 84025
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6579 6120 91

CSC – Lawyers Incorporating Service
Agent for Service of Process for: Watermanidence Opco, LLC
2710 Gateway Oaks Drive
Sacramento, CA 95833
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6579 6120 84

Re: ***Monique Hill v. Watermanidence Opco, LLC***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Monique Hill ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against her former employer, Watermanidence Opco, LLC ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant's Aggrieved Employees.

Plaintiff wishes to pursue this action on behalf of herself as an aggrieved employee, on behalf of

the State of California, as well as on behalf of all other persons who worked for Defendant in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

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

Plaintiff Employment with Defendant

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

Plaintiff Monique Hill is a resident of San Bernardino County, California who worked for Defendant in San Bernardino County, California as an hourly-paid, non-exempt employee from approximately March 2022 to approximately February 2023.

During Plaintiff's employment for Defendant, Defendant paid Plaintiff an hourly wage and classified her as non-exempt from overtime. Defendant typically scheduled Plaintiff to work at least four days in a workweek and Plaintiff regularly worked more than eight hours in a workday and more than forty (40) hours in a workweek.

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

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

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

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

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

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

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

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

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

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

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties

provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

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

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant's policy and practice were to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

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

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

Failure to Pay All Earned Wages Twice Per Month

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

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages

due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

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

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

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

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

Failure to Timely Pay All Wages at Termination

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

wages at the time of quitting.

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

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

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

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

Failure to Furnish Accurate Itemized Wage Statements

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

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an

aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

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

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

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

Failure to Indemnify for Necessary Expenditures

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

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

Action for Civil Penalties Under PAGA

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

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest

periods;

4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and
8. Labor Code § 2802 by failing to indemnify for necessary expenditures;

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

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

Sincerely,

WILSHIRE LAW FIRM

Justin F. Marquez, Esq.

EXHIBIT 2

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

MONIQUE HILL, an individually, and on behalf of the State of California and other aggrieved persons,

Plaintiff,

vs.

WATERMANIDENCE OPCO, LLC; a Florida Corporation and DOES 1 through 10, inclusive,

Defendants.

Case No. CIVSB2406205

Assigned for All Purposes To:
Hon. Jeffrey R. Erickson, Dept. S14

PAGA SETTLEMENT AGREEMENT

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This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff MONIQUE HILL ("Plaintiff") and Defendant WATERMANIDENCE OPCO, LLC dba Waterman Canyon Post Acute a California Limited Liability Company ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *MONIQUE HILL v. WATERMANIDENCE OPCO, LLC,* San Bernardino County Superior Court, Case No. CIVSB2406205 initiated on March 29, 2024 and later amended on April 18, 2024.

1.2 "Administrator" means Apex Class Action Administrator, 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 approval of this Settlement.

1.4 "Aggrieved Employee" means all individuals who worked for Defendant as a non-exempt, hourly employee in California during the PAGA Period.

1.5 "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6 "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employees' 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 Aggrieved Employees.

1.7 "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.8 "Court" means the Superior Court of California, County of Los Angeles.

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1.9 "Defendant" means Defendant WATERMANIDENCE OPCO, LLC dba Waterman Canyon Post Acute.

1.10 "Defense Counsel" means Grace Y. Horoupian and Corina Johnson of Fisher & Phillips L.L.P.

1.11 "Enhancement Award" means the $7,500.00 payment allocated to Plaintiff for initiating the Action and providing services in support of the Action as the PAGA representative.

1.12 "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the date the Court enters Judgment.

1.13 "Gross Settlement Amount" or "GSA" means Two-Hundred Twenty-Five Thousand Dollars and Zero Cents ($225,000.00), which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 7 below.

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

1.15 "Judgment" means the judgment entered by the Court based upon the Approval Order.

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

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

1.18 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the Enhancement Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to the LWDA and the Aggrieved Employees as Individual PAGA Payments.

1.19 "PAGA Counsel" means Tyler J. Woods, James Yoo, Heriberto Ponce and Ruby Carerra of Wilshire Law Firm, PLC.

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1.20 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

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

1.22 "PAGA Period" means the period from February 13, 2023 to January 14, 2026.

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

1.24 "PAGA Notice" means Plaintiff's February 13, 2024 letter to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a).

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

1.26 "Plaintiff" means MONIQUE HILL, the named plaintiff in the Action.

1.27 "Released PAGA Claims" means the claims being released as described in Paragraph 5 below.

1.28 "Released Parties" means Defendant and each of its past and present parents, subsidiaries, directors, officers, shareholders, owners, members, partners, managerial employees, attorneys, agents, insurers, predecessors, successors, and assigns.

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

2. RECITALS.

2.1 On March 29, 2024, Plaintiff filed a Class Action Complaint against Defendant, which was later amended on April 18, 2024, when Plaintiff filed a First Amended Class and Representative Complaint adding a cause of action for civil penalties under PAGA. On May 20, 2025, the Court granted Defendant's motion to compel arbitration of Plaintiff's individual PAGA and non-PAGA claims, dismissed Plaintiff's class claims, and stayed Plaintiff's non-individual PAGA claims. The First Amended Complaint, with the class claims dismissed, is the operative complaint in this Action (the "Operative Complaint"). Defendant denies the allegations in the

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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 §2699.3(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3 Prior to the preliminary arbitration management conference scheduled on March 3, 2026, the parties engaged in informal settlement discussions and reached a settlement.

2.4 Prior to negotiating the settlement, Plaintiff obtained, through informal discovery, time and payroll data for Aggrieved Employees and the necessary policy documents.

2.5 The Parties, PAGA Counsel, and Defense Counsel represent that they are aware of the following other pending matter or action asserting claims that will be extinguished or affected by the Settlement: *McHenry v. Watermanidence Opco, LLC* (San Bernardino County (Case No. CVISB2522536)), which was settled on an individual basis and the PAGA claims are in the process of being dismissed.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 7 below, Defendant promises to pay Two-Hundred Twenty-Five Thousand Dollars and Zero Cents ($225,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount 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 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 Approval Order:

3.2.1 To Plaintiff: A payment for the Enhancement Award to Plaintiff of not more than $7,500.00 in addition to any Individual PAGA Payment the Plaintiff is entitled to receive as an Aggrieved Employee. Defendant will not oppose Plaintiff's request for an Enhancement Award that does not exceed this amount. As part of the motion for approval of the Settlement, Plaintiff

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will seek Court approval for any Enhancement Award no later than sixteen (16) court days prior to the hearing on the motion for approval ("Approval Hearing"), or as otherwise ordered by the Court. If the Court approves an Enhancement Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to the LWDA and Aggrieved Employees. The Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Enhancement Award.

3.2.2 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be Seventy Five Thousand Dollars and Zero Cents ($75,000.00) and a PAGA Counsel Litigation Expenses Payment for actual costs, not to exceed $20,000.00. Defendant will not oppose requests for these payments. As part of the motion for approval of the Settlement, Plaintiff and/or PAGA Counsel will request approval of PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Approval Hearing, or as otherwise ordered by the Court. If the Court approves a PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to the LWDA and Aggrieved Employees. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's counsel arising from any claim to any portion of PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA 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 $10,000 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 of less than $10,000.00, the

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Administrator will retain the remainder in the Net Settlement Amount to be distributed to the LWDA and Aggrieved Employees.

3.2.4 To the LWDA and Aggrieved Employees: After deducting Plaintiff's Enhancement Awards, the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and Administration Expenses Payment, the amount remaining from the GSA shall be allocated to the resolution of claims for civil penalties arising under PAGA ("PAGA Penalties"). Pursuant to PAGA, 75% of the PAGA Penalties payment shall be paid to the LWDA, and 25% of the PAGA Penalties payment shall be paid pro-rata by PAGA Pay Periods to all Aggrieved Employees who worked during the PAGA Period as an Individual PAGA Payment. All Individual PAGA Payments will be allocated 100% to the settlement of claims for civil penalties and shall be reported on an IRS Form 1099 by the Settlement Administrator. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties from the Net Settlement by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records, Defendant represents there are 724 Aggrieved Employees who worked an estimated total of 15,779 PAGA Pay Periods during the PAGA Period.

4.2 Aggrieved Employee Data. Not later than fourteen (14) days after the Court signs the Approval Order, Defendant will deliver the Aggrieved Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to

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immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted Aggrieved Employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee 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 Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within ten (10) days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Enhancement Award. Disbursement of the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Enhancement Award shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees who qualify as Aggrieved Employees. 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 an Aggrieved Employee Address Search for all other Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver

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checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the Void Date.

4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and canceled after the Void Date, the Administrator shall transmit the funds represented by such checks to California Controller's Unclaimed Property Fund in the name of the employee.

4.4.4 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments or distribute additional benefits to Aggrieved Employees (such as 401(k) contributions, ESOP distributions, or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the Gross Settlement Amount, Plaintiff, Aggrieved Employees, and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. In exchange for the Enhancement Award, Plaintiff discharges and fully releases the Released Parties from all known and unknown claims Plaintiff may have or claim to have against Defendant as well as Defendant's members, owners, employees, officers, agents, affiliates, and insurers, arising from her employment with Defendant, separation of employment from Defendant, and any acts that have or could have been asserted in any legal action or proceeding against Defendant, including those arising under any federal, state, or local law, or statute, including, inter alia, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, arising on or before the date of execution of the

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Settlement Agreement. In connection with said release, Plaintiff shall waive all rights under California Civil Code section 1542 and any other provision of law that may restrict the release of unknown claims. 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. 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 Released PAGA Claims: All All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the PAGA Period and the PAGA Notice, including but not limited to California Labor Code sections 98.6, 201,201.3, 202, 203, 204, 210, 216, 223, 226, 226.3, 226.7, 227.3, 232, 232.5, 245-248.5, 246, 432, 432.5, 432.7, 510,512, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 1198, 1198.5, 1527, 2698, et seq., 2699, et seq., 2802, 3366, 3457, 8397.4, 6401, and 6401, and Section 14(A-B) of all applicable IWC Wage Orders.

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6. SETTLEMENT ADMINISTRATION.

6.1 Selection of Administrator. The Parties have jointly selected Apex Class Action Administrator to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses Payment. 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.

6.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of providing reports to state and federal tax authorities.

6.3 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 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the 35% of the Net Settlement Amount for distribution to Participating Aggrieved Employees.

6.4 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.

6.4.1 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide PAGA Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. PAGA Counsel is responsible for filing the Administrator's declaration in Court.

7. ESCALATOR CLAUSE. The GSA was calculated based on the estimate that 724 Aggrieved Employees worked a total of approximately 15,779 pay periods as of Januaiy 14, 2026.

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If the total number of pay periods increases by more than 10% (i.e., more than 17,356 pay periods), then the GSA will be increased proportionally by the number of pay pe1iods worked in excess of 10%. For example, if the final number of total pay pe1iods increases by 15% over 18,145 pay pe1iods, the GSA will increase by 5%. If this provision is triggered, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the GSA after the upward adjustment required by this provision is implemented. However, should the number of workweeks reach 17,357, and Plaintiff elects to enforce the escalator clause, Defendant will have the right, in the exercise of its sole discretion, to limit the PAGA period to the time at which the number of workweeks reaches 17,356.

8. MOTION FOR APPROVAL. Not later than sixteen (16) court days before the calendared Approval Hearing, unless otherwise scheduled by the Court, Plaintiff will file in Court, a Motion for Approval of the Settlement that includes a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (l); a Proposed Approval Order; and a proposed Judgment (collectively "Motion for Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Approval. PAGA 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 Approval.

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

8.2 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes

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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.

8.3 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Aggrieved Employees 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.

8.4 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 Aggrieved Employees), 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 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 Enhancement Award or any payments to PAGA 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.

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

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this

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Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint has 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. If, for any reason, the Court does not grant Approval, or enter Judgment, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right 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).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement 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.

10.3 Attorney Authorization. PAGA 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.

10.4 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.

10.5 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.

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10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7 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.

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

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

10.10 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.

10.11 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.

10.12 Use of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA 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.

10.13 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.

10.14 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

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weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

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

To Plaintiff:

Tyler J. Woods, Esq. (SBN 232464)
tyler.woods@wilshirelawfirm.com
James Yoo, Esq. (SBN 310680)
james.yoo@wilshirelawfirm.com
Heriberto Ponce, Esq. (SBN 339713)
eddie.ponce@wilshirelawfirm.com
Ruby Carrera, Esq. (SBN 343745)
ruby.carrera@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Grace Y. Horoupian (SBN 180337)
ghoroupian@gisherphillips.com
Corina S. Johnson (SBN 337231)
cjohnson@fisherphillips.com
FISHER & PHILLIPS LLP
2050 Main Street, Suite 1000
Irvine, California 92614
Telephone: (949) 851) 2424
Facsimile: (949) 851-0152

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

///

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

10.18 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664.6, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and l123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 7/29/2026

DocuSigned by:
BB16D182D898449...

Plaintiff MONIQUE HILL

DATED: 06/16/2026

Nicoletta Jenkins
Nicoletta Jenkins (Jun 16, 2026 15:31:56 PDT)

Defendant WATERMANIDENCE OPCO, LLC DBA WATERMAN CANYON POST ACUTE

By: Nicoletta Jenkins

Position: Administrator

Approved as to form by counsel:

DATED: 7/30/2026

WILSHIRE LAW FIRM, PLC

BY: Tyler J. Woods

Tyler J. Woods
James Yoo
Heriberto Ponce
Ruby Carrera
Counsel for Plaintiff

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DATED: 08/11/2026

FISHER & PHILLIPS LLP

BY: _____

Grace Y. Horoupian
Corina S. Johnson
Counsel for Defendant WATERMANIDENCE OPCO, LLC

EXHIBIT 3



ELM Solutions

2025 Real Rate Report® powered by LegalVIEW® DynamicInsights

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

Wolters Kluwer

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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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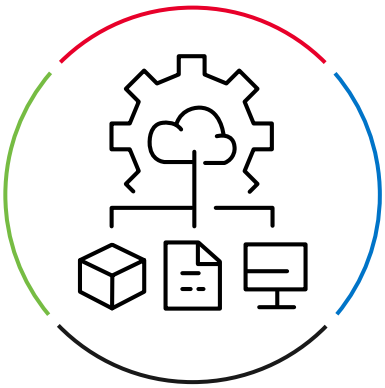
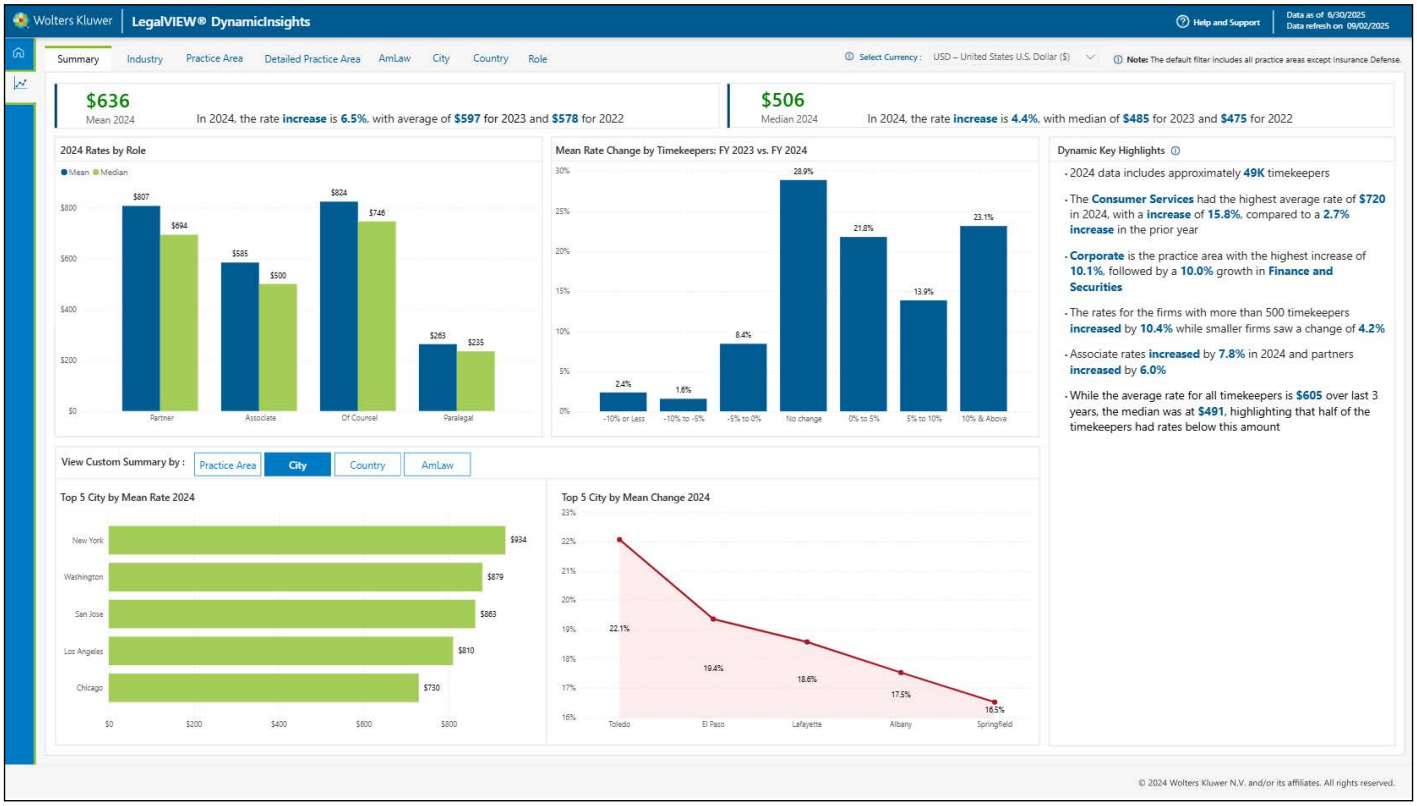
- **Strategic Legal Spend Management:** Empowers legal teams to negotiate smarter, plan more effectively, and control costs with greater precision.
- **Enhanced Transparency & Collaboration:** Strengthens law firm-client relationships through data-driven transparency and benchmarking.
- **Insight-Driven Decision Making:** Enables analysis across key dimensions to support strategic negotiations and financial optimization.





Wolters Kluwer

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 4

Wilshire Law Firm, PLC

Transaction Detail by Account

All Transactions

Accrual Basis

Type	Date	Num	Memo	Description	Amount	Balance
Mediation Fees						
	05/22/2025	RM 5220009578	Mediation Fees - JAMS, Inc.		$411.96	$411.96
Total MEDIATION FEES					$411.96	$411.96
Consultant Fees						
	9/3/2026	13735	Consulting Fees - Berger Consulting Group LLC	8.10 hours of work	$4,009.50	$4,009.50
Total CONSULTANT FEES					$4,009.50	$4,009.50
Filing Fees						
	02/15/2024		Filing Fees - Department of Industrial Relations	PAGA Notice	$75.00	$75.00
	03/29/2024	73901	Filng Fees - Valpro Attorney Services, LLC	New Case Filing	$1,721.50	$1,796.50
	04/12/2024	74349	Service Fees - Valpro Attorney Services, LLC	Serve: Watermanidence	$141.00	$1,937.50
	05/21/2024	74392	Filng Fees - Valpro Attorney Services, LLC	File POS	$45.00	$1,982.50
	05/25/2024	22714537	Filing Fees - One Legal LLC	Amended Complaint	$21.71	$2,004.21
	09/30/2024	23809924	Filing Fees - One Legal LLC	CMCS	$21.89	$2,026.10
	10/14/2024	23830866	Filing Fees - One Legal LLC	Jury Duty	$177.80	$2,203.90
	12/23/2024	24383943	Filing Fees - One Legal LLC	CMCS	$22.92	$2,226.82
	04/11/2025	24984798	Filing Fees - One Legal LLC	Stipulation	$17.50	$2,244.32
	05/08/2025	25329517	Filing Fees - One Legal LLC	Opp, Declaration	$23.63	$2,267.95
	05/16/2025	25397517	Filing Fees - One Legal LLC	CMCS	$23.63	$2,291.58
	07/21/2025	CC073125TA-3084	Filing Fees - One Legal LLC	Notice	$23.63	$2,315.21
	11/13/2025	CC113025TA-1293	Filing Fees - One Legal LLC	CMCS	$23.63	$2,338.84
	05/11/2026	CC053126TA-0800	Filing Fees - One Legal LLC	CMCS	$24.73	$2,363.57
	09/13/2026	CC113025TA-1293	Filing Fees - One Legal LLC	CMCS	$24.73	$2,388.30
Total FILING FEES					$2,388.30	$2,388.30
TOTAL					**$6,809.76**	**$6,809.76**

EXHIBIT 5

From: DIR PAGA Unit
To: Dariane Rose
Subject: Thank you for your Court Complaint Submission.
Date: Thursday, May 30, 2024 3:32:54 PM

05/30/2024 03:32:36 PM

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

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

EXHIBIT 6

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Fri 11/6/2026 4:29 PM
To Giancarlo Recinos' Team <Giancarlorecinosteam@wilshirelawfirm.com>

11/06/2026 04:29:33 PM

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

Item submitted: Proposed Settlement

On 11/06/2026 04:29:33 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1010846-24

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%7Cdariane.rose%40wilshirelawfirm.com%7C105d2cc5e39e41c3f08808df3c663a0a%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639296081898168370%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=%2BIFTJ5yHy9PDND88AEYBOMy9I5DQCB7ABkslg4DxXlQ%3D&reserved=0