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7 Attorneys for Plaintiff, ROSARIO LOPEZ,

8 as an aggrieved employee, and on behalf of all other aggrieved employees

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF LOS ANGELES**

11 ROSARIO LOPEZ, as an aggrieved employee,
12 and on behalf of all other aggrieved employees
13 under the Labor Code Private Attorneys'
General Act of 2004,

14 Plaintiff,

15 v.
16

17 COMMUNITY RESTAURANTS, INC., a
California corporation; GRANVILLE
18 GLENDALE, INC., a California corporation;
GRANVILLE RESTAURANTS PARTNERS,
19 LLC, a California limited liability company;
GRANVILLE RESTAURANTS PARTNERS
20 2, LLC, a California limited liability company;
GRANVILLE PASADENA, LLC, a California
21 limited liability company; GRANVILLE
MANAGEMENT GROUP, INC., a California
22 corporation; and DOES 1 through 100,
23 inclusive.

CASE NO.: 24STCV09221

[Assigned for all purpose to the Hon. Daniel
Murphy in Dept. 32]

**DECLARATION OF BRADFORD SMITH
IN SUPPORT OF PLAINTIFF'S MOTION
FOR APPROVAL OF
REPRESENTATIVE ACTION
SETTLEMENT**

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1 five percent (75%) of which shall be paid to the California Labor and Workforce Development
2 Agency (“LWDA”) and twenty-five percent (25%) of which will be paid to Aggrieved Employees.
3 These penalties are genuine and meaningful and fulfill PAGA’s underlying purpose to benefit the
4 public. Accordingly, Plaintiff requests that the Court approve the Settlement as such awards are
5 reasonable and warrant approval.

6 7. Defendants represent that there were no more than 12,926 Pay Periods worked during
7 the PAGA Period as of the date of mediation. In the event the number of Pay Periods during the
8 PAGA Period increases by more than ten percent (10%), or 1,293 Pay Periods, then Defendants
9 shall have the choice of: (1) increasing the Gross Settlement Amount proportionally by the Pay
10 Periods in excess of 12,916 Pay Periods multiplied by Pay Period Value (Pay Period Value shall be
11 calculated by dividing the Gross Settlement Amount by the estimate of Pay Periods at issue,
12 meaning that the Parties agree that the Pay Period Value shall be \$26.30 [$\$340,000 / 12,926$]); or
13 (2) electing to end the PAGA Period on the date the number of Pay Periods reaches 14,219 Pay
14 Periods (12,926 Pay Periods + 1,293 Pay Periods).

15 8. I believe these penalties are genuine and meaningful and fulfill PAGA’s underlying
16 purpose to benefit the public. Accordingly, PAGA Counsel request that the Court approves the
17 Settlement. I believe such awards are reasonable and warrant approval.

18 **Factual And Procedural Background**

19 **The Parties**

20 9. I believe plaintiff Rosario Lopez was employed by Defendants with duties that
21 included, but not limited to, greeting and seating guests, preparing menus, and making charts for
22 server sections, within California from approximately October 2022 through approximately
23 February 2023.

24 10. Based on information provided by Defendants, I believe there are approximately 519
25 Aggrieved Employees in the PAGA Period.

26 **Procedural History**

27 11. On or around February 7, 2024, Plaintiff filed with the California Labor Workforce
28 Development Agency (“LWDA”) a notice under Labor Code section 2699.3 and served on

1 Defendants, stating her intention to serve as a proxy of the LWDA to recover civil penalties for
2 various alleged Labor Code violations (the “PAGA Notice”)

3 12. A true and correct copy of the PAGA Notice is attached as Exhibit “2” hereto.

4 13. On or around February 7, 2024, Plaintiff filed a putative wage-and-hour class action
5 in the Superior Court of California for the County of Los Angeles, Case No. 24STCV003320,
6 alleging that Defendant: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3)
7 failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or
8 compensation in lieu thereof; (5) failed to pay all wages due upon termination; (6) failed to provide
9 accurate and compliant wage statements; (7) failed to timely pay wages during employment; (8)
10 failed to indemnify for business expenses; and (9) engaged in unfair competition (the “Class
11 Action”).

12 14. On or around April 12, 2024, Plaintiff filed this PAGA action alleging violations
13 of the Labor Code as asserted in the PAGA Notice for which Plaintiff sought civil penalties under
14 PAGA.

15 15. On or around January 9, 2025, the Parties participated in a full-day mediation
16 before Chris Barnes, Esquire, a well-regarded mediator experienced in mediating complex labor
17 and employment matters, which led to this Agreement to settle the Action.

18 16. Prior to mediation, PAGA Counsel obtained, through informal discovery: (1) time
19 records for a 20% sampling of Aggrieved Employees during the PAGA Period; (2) payroll data for
20 a 20% sampling of Aggrieved Employees during the PAGA Period; (3) data points, including
21 number of pay periods during the PAGA Period, the number of Aggrieved Employees (current and
22 former), and number of pay periods in the Wage Statement/PAGA Period; (4) a 2023 employee
23 handbook; and (5) all documents concerning Plaintiff available to Defendants.

24 17. PAGA Counsel have conducted significant investigation of the law and facts relating
25 to the claims asserted in the Action, and have concluded that the Settlement set forth herein is fair,
26 reasonable, adequate and in the best interests of the Aggrieved Employees, and, to the extent
27 permitted by law, the State of California, taking into account the sharply contested issues involved,
28 the expense and time necessary to litigate the Action through trial and any appeals, the risks and

1 costs of further litigation, the risk of an adverse outcome, the uncertainties of complex litigation, the
2 information learned through informal discovery regarding Plaintiffs' allegations, and the substantial
3 benefits to be received by Aggrieved Employees.

4 18. PAGA Counsel understand from the mediator and the mediation process that
5 Defendants have concluded that, because of the substantial expense of defending against the Action,
6 the length of time necessary to resolve the issues presented herein, the inconvenience involved and
7 the concomitant disruption to their business operations, it is in their best interests to accept the terms
8 of this Agreement. Defendants deny each of the allegations and claims asserted against them in the
9 Action. However, Defendants nevertheless desires to settle the Action for the purpose of avoiding
10 the burden, expense, and uncertainty of continuing litigation, and for the purpose of putting to rest
11 the controversies engendered by the Action.

12 **Discovery and Investigation**

13 19. In the leadup to mediation, PAGA Counsel investigated Plaintiff's claims, performed
14 legal research regarding Defendants' defenses and engaged in informal discovery. During that time,
15 Defendants produced: (1) time records a 20% sampling of Aggrieved Employees during the PAGA
16 Period; (2) payroll data for a 20% sampling of Aggrieved Employees during the PAGA Period; (3)
17 data points, including number of pay periods during the PAGA Period, the number of Aggrieved
18 Employees (current and former), and number of pay periods in the Wage Statement/PAGA Period;
19 (4) a 2023 employee handbook; and (5) all documents concerning Plaintiff available to Defendants.

20 20. PAGA Counsel believe this yielded sufficient information to determine, for the
21 PAGA Period, the total number of Aggrieved Employees, the total number of shifts and PAGA pay
22 periods, the length of shifts for all Aggrieved Employees, average rates of pay, detailed analysis of
23 alleged meal and rest periods violations, and the policies and practices in play during the PAGA
24 Period. The documents and information produced enabled PAGA Counsel to analyze the law and
25 facts relating to Plaintiffs' claims. PAGA Counsel also retained an expert data consultant to review
26 and analyze the time and payroll records and prepare a model setting forth Defendants' potential
27 exposure for civil penalties for use in the mediation. The documents and information shared also
28 enabled PAGA Counsel to evaluate the potential hurdles to recovery, including in connection with

1 the merits of the claims and manageability. Based on this investigation and discovery, PAGA
2 Counsel were able to act intelligently and effectively in negotiating the proposed Settlement.

3 **Mediation**

4 21. On or around January 9, 2025, the Parties participated in a full-day mediation before
5 Chris Barnes, Esquire, a well-regarded mediator experienced in mediating complex labor and
6 employment matters, which led to this Agreement to settle the Action.

7 22. The Settlement negotiations were at arm's length and, although conducted in a
8 professional manner, were adversarial. The Parties went into mediation willing to explore the
9 potential for a settlement of the Action, but each side was also prepared to litigate its position
10 through trial and appeal if a settlement had not been reached. After several exchanges of draft
11 settlement agreements, the Parties fully executed the Settlement Agreement, a copy of which is
12 attached as Exhibit "1" hereto.

13 23. Based on PAGA Counsel's investigation, informal discovery and evaluation of
14 Plaintiffs' claims, Defendants' defenses regarding the merits of the claims and the manageability of
15 a trial thereon, Defendants' potential exposure, the expense and time necessary to pursue this action
16 through trial, the risks and costs of further prosecution of this action, the uncertainties of complex
17 litigation and developing law, and the benefits that will accrue to the LWDA and the Aggrieved
18 Employees, the PAGA Counsel believe that a settlement on the terms set forth herein is fair,
19 reasonable, adequate, and in the best interests of Plaintiff, Aggrieved Employees, the LWDA and
20 Defendants.

21 **Summary of Settlement**

22 **The Aggrieved Employees**

23 24. The "Aggrieved Employees" who are covered by the Settlement Agreement are
24 persons employed by Defendants in California and classified as a non-exempt, hourly-paid
25 employee who worked for Defendants during the period from February 7, 2023 to the date the Court
26 signs the Approval Order ("Settlement Period" or "PAGA Period"). Based on information provided
27 by Defendants prior to mediation, Plaintiff believes there are approximately 519 Aggrieved
28 Employees in the Settlement Period.

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Settlement Terms

25. The Settlement provides for a Gross Settlement Amount (“GSA”) of \$340,000.00, as the same may be escalated pursuant to the Parties’ Settlement Agreement, to be paid by Defendants. The GSA shall be allocated as follows:

PAGA Penalties

26. The amount of the GSA that remains after deducting the PAGA Representatives Service Payments, Administration Expenses Payment, PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment will be designated as PAGA Penalties. If the Court approves those allocations, the total estimated amount of the PAGA Penalties is \$184,010.00 (as the same may be escalated pursuant to the Settlement Agreement). Pursuant to the Settlement Agreement and Labor Code section 2699(i), 75% of the PAGA Penalties, or \$138,007.50 (as the same may be escalated pursuant to the Settlement Agreement), will be paid to the LWDA, and the remaining 25%, or \$46,002.50, of the PAGA Penalties (as the same may be escalated pursuant to the Settlement Agreement) will be paid to the Aggrieved Employees on a pro rata basis using their respective number of PAGA Pay Periods worked. The estimated average payment to Aggrieved Employees is approximately \$88.64 (\$46,002.50 / 519 Aggrieved Employees).

Settlement Administrator and Expenses Payment

27. PAGA Counsel have agreed that the Settlement Administrator will be Apex Class Action LLC (“Apex”). The cost of administering the Settlement, including, but not limited to, mailing the Individual PAGA Payments to the Aggrieved Employees, shall not exceed \$6,990.00 and will be paid to the Settlement Administrator from the Gross Settlement Amount.

PAGA Counsel Fees and Litigation Expenses Payments

28. The Settlement Agreement provides for an award of attorneys’ fees to PAGA Counsel in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount which, unless escalated pursuant to the Settlement Agreement, will be \$119,000.00, as well as reimbursement of litigation expenses reasonably incurred in an amount of \$16,600.58.

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1 Gross Settlement Amount, such taxes will be funded by the Gross Settlement Amount.

2 **Release**

3 32. Release of Claims for Aggrieved Employees and the State of California: All
4 Aggrieved Employees are deemed to release, on behalf of themselves and their respective former
5 and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the
6 Released Parties from all claims for PAGA civil penalties that were alleged or reasonably could
7 have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

8 33. “Released Parties” shall mean Defendants, and each of its former and present
9 directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors,
10 assigns, subsidiaries and affiliates.

11 Plaintiff Released Claims: Plaintiff and his or her respective former and present spouses,
12 representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and
13 assigns generally release and discharge Released Parties from all claims, transactions or occurrences
14 that occurred prior to the execution of this Agreement, including, but not limited to, all claims for
15 civil penalties that were, or reasonably could have been alleged based on the facts contained in the
16 Operative Complaint and the PAGA Notice (“Plaintiff’s Release”). Plaintiff’s Release does not
17 extend to any claims or actions to enforce this Agreement or to any claims for alleged individual
18 Aggrieved Employees’ wage and hour claims, vested benefits, unemployment benefits, disability
19 benefits, social security benefits, or workers compensation benefits, or claims outside of the PAGA
20 Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition
21 to, the facts or laws that Plaintiff now knows or believes to be true but agrees, nonetheless, that
22 Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or
23 additional facts or Plaintiff’s discovery of them.

24 For purposes of Plaintiff’s Release. Plaintiff expressly waives and relinquishes the
25 provisions, rights and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

1 or released party.”

2 34. The above release expressly excludes Plaintiff’s claims for sex discrimination, sexual
3 harassment, retaliation, violation of Labor Code section 1102.5, wrongful termination, wrongful
4 termination in violation of public policy, intentional infliction of emotional distress, negligent
5 infliction of emotional distress, and related claims.

6 **Escalator Provision**

7 35. Defendants represent that there were no more than 12,926 Pay Periods worked during
8 the PAGA Period as of the date of mediation. In the event the number of Pay Periods in the PAGA
9 Period increases by more than ten percent (10%), or 1,293 Pay Periods, then Defendants shall have
10 the choice of: (1) increasing the Gross Settlement Amount proportionally by the Pay Periods in
11 excess of 12,926 Pay Periods multiplied by the Pay Period Value (the Pay Period Value shall be
12 calculated by dividing the Gross Settlement Amount by estimate of Pay Periods at issue, meaning
13 that the parties agree that the Pay Period Value shall be \$26.30 (\$340,000.00 / 12,926 Workweeks);
14 or (2) electing to end the PAGA Period on the date the number of Pay Periods reaches 14,219 Pay
15 Periods (12,926 Pay Periods + 1,293 Pay Periods).

16 **Uncashed Checks**

17 36. For any Aggrieved Employee whose check is uncashed and cancelled after the void
18 date (180 days after the date of mailing), the Administrator shall transmit the funds represented by
19 such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved
20 Employee.

21 **Argument**

22 **The PAGA Penalties Secured by the Settlement are Genuine and Meaningful,**
23 **and Fulfill PAGA’s Underlying Purpose to Benefit the Public**

24 37. I believe here, the Settlement penalizes Defendants for its alleged violation of
25 California’s labor laws, provides a significant benefit of \$138,007.50 (as the same may be escalated
26 pursuant to the Settlement) to the State and also provides relief to the Aggrieved Employees that is
27 genuine and meaningful, consistent with the underlying purpose of the statute to benefit the public.
28 Lastly, the Gross Settlement Amount of \$340,000.00, as the same may be escalated pursuant to the

1 Settlement Agreement, is significant enough to deter Defendants from future violations.
2 Accordingly, the Settlement fulfills the underlying purpose of the statute and confers a substantial
3 benefit on the public.

4 38. I believe the Gross Settlement Amount of \$340,000.00, as the same may be escalated
5 pursuant to the Settlement Agreement, is significant enough to deter Defendants from future
6 violations. Accordingly, the Settlement fulfills the underlying purpose of the statute and confers a
7 substantial benefit on the public.

8 **The Settlement is Reasonable Given the Risks of Further Litigation**

9 39. Plaintiff's Counsel obtained a meaningful amount in civil penalties despite facing
10 significant challenges had the litigation continued.

11 40. The potential claims for penalties include, failure to pay all wages due, failure to
12 provide minimum wages or pay for all hours worked, failure to pay overtime compensation, failure
13 to provide meal and/or rest periods, failure to pay proper meal or rest period premiums, failure to
14 provide and maintain accurate itemized wage statements, failure to timely pay wages due at
15 separation of employment, and failure to reimburse all business-related expenses.

16 41. I am informed and believe that, in this instance, as there was no evidence that
17 Defendants were provided notice that they were in violation of the Labor Code, initial violation rates
18 were used to calculate penalties.

19 42. Based on the records produced by Defendants, Plaintiff understood there to be 12,926
20 pay periods in the PAGA Period. While PAGA Counsel are informed and believe that reasonable
21 minds differ with regard to calculation of PAGA penalties, PAGA Counsel believe one reasonable
22 calculation of Defendants' maximum exposure in PAGA penalties are as follows:

23 43. Overtime Wage Violations: Labor Code section 558 prescribes penalties of \$50 for
24 an initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
25 violations, and a violation every single pay period for every single non-exempt employee in the
26 PAGA Period, this amounts to a maximum exposure of \$646,300. (12,926 pay periods x \$50).

27 44. Minimum Wage Violations: Labor Code section 1197.1 prescribes penalties of \$100
28 for an initial violation and \$200 for each subsequent violation. Using the initial pay period rate for

1 all violations, and a violation every single pay period for every single non-exempt employee in the
2 PAGA Period, this amounts to a maximum exposure of \$1,292,600. (12,926 pay periods x \$100).

3 45. Meal Period Violations: Labor Code section 558 prescribes penalties of \$50 for an
4 initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
5 violations, and a violation every single pay period for every single non-exempt employee in the
6 PAGA Period, this amounts to a maximum exposure of \$1,292,600. (12,926 pay periods x \$50).

7 46. Rest Period Violations: Labor Code section 558 prescribes penalties of \$50 for an
8 initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
9 violations, and a violation every single pay period for every single non-exempt employee in the
10 PAGA Period, this amounts to a maximum exposure of \$646,300. (12,926 pay periods x \$50).

11 47. Waiting Time Penalties: Labor Code section 558 prescribes penalties of \$50 for an
12 initial violation and \$100 for each subsequent violation. Because this violation is merited only at
13 separation of employment, a 100% violation rate would likely include be just one violation per
14 employee. PAGA Counsel understood at mediation through the documents provided by Defendant
15 that there were approximately 30 terminated Aggrieved Employees during the PAGA Period. This
16 amounts to a maximum exposure of \$51,900 (519 terminated Aggrieved Employees x \$100).

17 48. Wage Statement Violations: According to *Gunther v. Alaska Airlines, Inc.* (2021)
18 287 Cal.Rptr.3d 229, in this instance, Labor Code section 2699 would be the appropriate penalty for
19 wage statement violations that are inaccurate, which prescribes penalties of \$100 for an initial
20 violation and \$200 for each subsequent violation. (*Id.* at 247-248.) Using the initial pay period rate
21 for all violations, and a violation every single pay period for every single Aggrieved Employee in
22 the PAGA Period, this amounts to a maximum exposure of \$1,292,600 (12,926 pay periods x \$100).

23 49. In sum, one calculation of Defendants' total maximum exposure for PAGA
24 violations if the Court were to find a 100% violation rate for every Aggrieved Employee every pay
25 period and not exercise its discretion to reduce any of those penalties to be approximately
26 \$5,222,300.

27 50. On the other hand, PAGA Counsel understand from the mediator and the mediation
28 process that Defendants argued the following in connection with this claim:

1 51. Defendants contend that no PAGA penalties are likely to be awarded and, even if
2 they were, the maximum exposure calculated by Plaintiff is vastly overstated. First, Defendants
3 defend that PAGA penalties cannot and should not be stacked. Second, Defendants deny that a
4 violation for each pay period can be established. Third, Defendants contend that a Court is unlikely
5 to exercise its discretion to award civil penalties under PAGA where, as here, Defendants contend
6 there is no conduct shown by Plaintiff that would show any Labor Code violations by Defendants,
7 if any, is knowing and intentional that would justify PAGA penalties. Finally, Defendants assert that
8 individualized issues predominate the PAGA claims, making the claims unmanageable for trial
9 pursuant to *Wesson v. Staples the Office Superstore, LLC* (2021) 68 Cal.App.5th 746 [*Wesson*].
10 Thus, Defendants contend that the Court cannot, should not, and will not exercise its discretion to
11 award any penalties under PAGA.

12 52. While PAGA Counsel are confident in the merits of the case, a legitimate controversy
13 exists as to each predicate Labor Code violation. For example, Plaintiff contends that the Aggrieved
14 Employees were subjected to, *inter alia*, not being paid for all time under Defendants' control,
15 unlawful meal and rest break policies, and were denied meal and rest break premiums. Defendants
16 refute these contentions, claiming, for example, that everyone was paid for all time worked, they
17 authorized and permitted rest breaks, and provided meal periods.

18 53. PAGA Counsel also considered the fact that continued litigation would be expensive,
19 time-consuming and an uncertain proposition, involving a trial and possible appeals, and would
20 delay any recovery to the State and the Aggrieved Employees. There is also a substantial risk that
21 the Court would reduce the award even if Plaintiff is successful or otherwise exercise its discretion
22 not to award penalties at all even if Labor Code violations are found. In contrast, if the Court
23 approves the Settlement, the Aggrieved Employees will receive timely relief and avoid the risk of
24 an unfavorable judgment. And, in light of the Court's ruling in *Wesson*, PAGA Counsel had to
25 account for the real possibility that a Court determines that some or all of the theories advanced by
26 PAGA Counsel in this Action would not lend themselves to a manageable trial, despite the fact
27 Plaintiffs deny that there is a manageability requirement under PAGA. (*See, e.g., Estrada v. Royalty*
28 *Carpet Mills*, (2022) 76 Cal.App.5th 685, 709-710). PAGA Counsel objectively and knowledgably

1 balanced the strengths and weaknesses of their claims, the likelihood of reaching a trial, and the
2 likelihood of success at trial against the risk of continued litigation and was able to determine a
3 realistic range of settlement recovery for PAGA penalties.

4 54. As such, PAGA Counsel believe an 80% discount of this maximum exposure,
5 resulting in \$1,044,460 to be a reasonable estimate of the likelihood of what Plaintiff may potentially
6 recover at trial for PAGA penalties (\$5,222,300 x .2). In all, PAGA Counsel obtained a Gross
7 Settlement Amount of \$340,000.00.

8 55. Thus, when the risks of litigation, including, without limitation, the burdens of proof
9 necessary to establish liability, the mixed case law on manageability, as well as the probability of
10 appeal of a favorable judgment are considered, it is clear that the Settlement is reasonable and in the
11 best interest of the State and the public. The Settlement therefore accomplishes PAGA's objectives
12 by imposing sufficient civil penalties "to punish and deter" Defendants from future alleged Labor
13 Code violations, while also ensuring that the penalties are not "unjust, arbitrary and oppressive, or
14 confiscatory." (Lab. Code, § 2699, subd. (e)(2); *Iskanian*, 59 Cal.4th at 384.)

15 **PAGA Counsel's Hourly Rates are Reasonable**

16 56. A survey conducted by the National Law Journal for the year 2002 provides a sample
17 of a billing rate for California Lawyers. In that survey, six California firms provided their hourly
18 billing rates. Of those six firms, five regularly charge in excess of \$500.00 per hour for their partners.
19 In fact, four of the firms charge as high as \$600.00, \$620.00, \$650.00, and up to \$850.00 per hour.
20 These firms are located in Orange County, Los Angeles County, San Francisco County and San
21 Diego County and are the types of firms that PAGA Counsel regularly oppose in these class action
22 cases. (See National Law Journal Survey, attached as Exhibit "3" hereto.). The only difference is
23 that these defense attorneys are paid on a monthly basis and do not have to advance any costs on a
24 case.

25 57. Finally, PAGA Counsel attach the Declaration of Richard Pearl in support of the
26 Motion for Final Approval in the case of *Rosa Cantu, et al v. Pacific Bell Telephone Company*, Los
27 Angeles Superior Court Case No. BC441237, dated January 4, 2011. (See Declaration of Richard
28 Pearl attached as Exhibit "4" hereto.) Mr. Pearl specializes in issues related to cost-award attorney's

1 fees, including the representation of parties in fee litigation and appeals, serving as an expert
2 witness, mediator and arbitrator in disputes concerning attorney's fees and related issues. Mr. Pearl
3 is also the author of California Attorney's Fee Awards (3d ed. Cal. CEB 2010), as well as the author
4 of the Second Edition, years 1994 through 2008. He has also authored numerous other publications
5 on attorney's fees, as set forth in his Declaration.

6 58. Mr. Pearl has reviewed the comparable hourly rates of attorney fees in California.
7 He confirms that courts have approved hourly rates of attorneys as follows:

8 • Rates of up to \$875.00 in *Savaglio, et al. v. Wal-Mart*, Alameda County Superior
9 Court, Case No. C-835687-7 (before applying a 2.36 multiplier);

10 • Rates of up to \$750.00 in *Kashmiri et al. v. Regents of UC*, San Francisco County
11 Superior Court (before applying a 3.7 multiplier); and

12 • Rates of up to \$750.00 in *Environmental Law Foundation v. Laidlaw Transit, Inc.*,
13 San Francisco Superior Court, Case No. CGC-06-451832 (before applying a 1.25 multiplier). *Id* at
14 pages 4 and 5.

15 59. Additionally, Mr. Pearl has reviewed numerous declarations, depositions, and
16 surveys of legal rates on a non-contingent basis for the year 2009 and found hourly rates of up to
17 \$775.00, \$795.00, \$800.00, \$855.00, \$950.00, etc. (*Id.* at pp. 6-12). These are non-contingent rates
18 where payment in full is expected promptly upon billing. (*Id.* at p. 13).

19 60. I believe PAGA Counsel are experienced litigators who specialize in employment
20 law, with a substantial PAGA and wage and hour class action practice. Moreover, similar rates for
21 the attorneys and staff of PAGA Counsel have been approved by various California Superior Courts.
22 Given the skill and experience of PAGA Counsel in this case, and the excellent result achieved for
23 the State and other Aggrieved Employees, the requested rates are reasonable.

24 **The Settlement Administrator Costs are Reasonable**

25 61. The Settlement Administrator's request for costs of up to \$6,990.00 is reasonable,
26 given the tasks to be performed by the Settlement Administrator, including but not limited to (a)
27 processing the data provided by Defendants to be used in calculating the Aggrieved Employees'
28 payments; (b) preparing, printing and mailing to the 519 Aggrieved Employees the PAGA Payment

1 Letter, as well as following up with reasonable skip tracing; (c) calculating and mailing Aggrieved
2 Employees' payments to Aggrieved Employees; (d) filing any required federal and state tax forms
3 and related agency reporting; (e) filing any required reports with the Court; (f) establishing a
4 settlement fund; (g) distributing the Gross Settlement Amount; (h) voiding uncashed or
5 undeliverable checks to issue those funds to the State Controller's Office; (i) providing necessary
6 reports and declaration; and (j) all other tasks described in the Settlement Agreement, as to which
7 the Parties mutually agree. The Settlement Administrator's costs should be approved.

8 **Submission to the LWDA**

9 62. On or about November 4, 2025 my office submitted a copy of the Settlement
10 Agreement to the California Labor and Workforce Development Agency ("LWDA") in
11 compliance with Labor Code section 2699, subdivision (l)(2). A true and correct copy of each
12 confirmation from the LWDA in connection with Plaintiff is attached hereto as Exhibit "5".
13

14 I declare under penalty of perjury under the laws of the state of California that the
15 foregoing is true and correct this November 5, 2025, at Los Angeles, California.
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17 _____
18 Bradford Smith
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EXHIBIT “1”

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Attorneys for Plaintiff, ROSARIO LOPEZ, as an aggrieved employee,
and on behalf of all other aggrieved employees

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Attorneys for Defendant
COMMUNITY RESTAURANTS, INC.

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

ROSARIO LOPEZ, as an aggrieved
employee, and on behalf of all other
aggrieved employees under the Labor Code
Private Attorneys' General Act of 2004,

Plaintiff,

v.

COMMUNITY RESTAURANTS, INC., a
California corporation; GRANVILLE
GLENDALE, INC., a California corporation;
GRANVILLE RESTAURANT PARTNERS,
LLC, a California limited liability company;
GRANVILLE RESTAURANT PARTNERS
2, LLC, a California limited liability
company; GRANVILLE PASADENA, LLC,
a California limited liability company;
GRANVILLE MANAGEMENT GROUP,
INC., a California corporation; and DOES 1
through 100, inclusive,

Defendants.

CASE NO: 24STCV09221

[Assigned to the Hon. Daniel Murphy, in
Dept. 32]

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Settlement,” “Agreement” or “Settlement Agreement”) is made by and between plaintiff Rosario Lopez (“Plaintiff”), individually and on behalf of the Aggrieved Employees; and defendants Community Restaurants, Inc., Granville Glendale, Inc., Granville Restaurant Partners, LLC, Granville Restaurant Partners 2, LLC, Granville Pasadena, LLC, Granville Management Group, Inc., (collectively, “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

1.1. “Action” means Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendants captioned *Lopez v. Community, Inc.*, Case No. 24STCV09221 in the Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means Apex Class Action LLC (“Apex”), 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 a person employed by Defendants in California and classified as a non-exempt, hourly-paid employee who worked for Defendants during the PAGA Period.

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendants’ possession including the Aggrieved Employee’s name, last-known mailing address, Social Security Number, and the dates of employment (i.e., hire dates, and, if applicable, re-hire date(s) and/or separation date(s)).

1 **1.6. “Aggrieved Employee Address Search”** means the Administrator’s
2 investigation and search for current Aggrieved Employees’ mailing addresses using all
3 reasonably available sources, methods and means, including, but not limited to, the National
4 Change of Address database, skip traces and direct contact by the Administrator with Aggrieved
5 Employees.

6 **1.7. “Court”** means the Superior Court of California, County of San Diego.

7 **1.8. “Defense Counsel”** means Janet S. Soultanian of Ballard Rosenberg Golper &
8 Savitt, LLP.

9 **1.9. “Effective Date”** means the date by when both of the following have occurred:
10 (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the
11 Judgment is final. The Judgment is final on the day the Court enters Judgment.

12 **1.10. “Gross Settlement Amount”** means Three Hundred and Forty Thousand Dollars
13 (\$340,000.00), which is the total amount Defendants agree to pay under the settlement except as
14 provided in Paragraph 8.1 below. The Gross Settlement Amount will be used to pay Individual
15 PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel
16 Litigation Expenses Payment, and the Administrator’s Expenses Payment.

17 **1.11. “Individual PAGA Payment”** means the Aggrieved Employee’s pro rata share
18 of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved
19 Employee worked during the PAGA Period.

20 **1.12. “Judgment”** means the judgment entered by the Court based upon the Final
21 Approval.

22 **1.13. “LWDA”** means the California Labor and Workforce Development Agency, the
23 agency entitled, under Labor Code section 2699, subd. (i).

24 **1.14. “LWDA PAGA Payment”** means the 75% of the PAGA Penalties paid to the
25 LWDA under Labor Code section 2699, subd. (i).

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

1.16. “PAGA Counsel” means David D. Bibiyan, and Vedang J. Patel of Bibiyan Law Group, P.C. The term “PAGA Counsel” shall be used synonymously with the term “Plaintiff’s Counsel.”

1.17. “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.

1.18. “PAGA Pay Period” or “Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants during the PAGA Period, based on hire dates, termination dates (if applicable) and re-hire dates (if applicable) and/or time and pay records.

1.19. “PAGA Period” means the period from February 7, 2023 to the Approval Order.

1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

1.21. “PAGA Notice” means Plaintiff’s letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

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

1.23. “PAGA Representative” means Plaintiff, the named plaintiff in the Action.

1.24. “Plaintiff” means Rozario Lopez, the named plaintiff in the Action.

1.25. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.

1.26. “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph (5) below.

1.27. “Released Parties” means the Defendants, and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries and affiliates.

1.28. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.29. “Defendants” mean the named Defendants, Community Restaurants, Inc., Granville Glendale, Inc., Granville Restaurant Partners, LLC, Granville Restaurant Partners 2, LLC, Granville Pasadena, LLC, Granville Management Group, Inc..

2. RECITALS

2.1. On February 7, 2024, Plaintiff filed with the LWDA and served on Defendants a notice under Labor Code section 2699.3 stating Plaintiff intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations (“PAGA Notice”).

2.2. On April 12, 2024, Plaintiff commenced this Action against Defendants by filing a Complaint asserting claims for penalties under PAGA arising for alleged violations of the California Labor Code. The Complaint is the operative complaint in the Action (the “Operative Complaint.”). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.

2.3. On January 9, 2025, the parties participated in an all-day mediation on a PAGA-only basis presided over by Chris Barnes, which was successful and lead to the present settlement of this case on a PAGA basis only.

1 **2.4.** Prior to mediation, Defendants informally produced through informal discovery:
2 (1) a sampling of time and pay records during the PAGA period; (2) the data points of number
3 of Aggrieved Employees; number of pay periods, number of current employees, and number of
4 former employees; (3) employee handbooks and applicable policies in effect during the PAGA
5 Period; and (4) all documents pertaining to Plaintiff. Based on these records and in consultation
6 with expert consultants, Plaintiff's counsel was able to extrapolate all pertinent data through the
7 mediation, including number of shifts worked, the number of alleged meal period violations, the
8 number of Aggrieved Employees eligible for wage statement penalties and waiting time
9 penalties, among others.

10 **2.5.** The Parties, PAGA Counsel and Defense Counsel represent that they are not
11 aware of any other pending matter or action asserting claims that will be extinguished or affected
12 by the Settlement. On February 7, 2024, Lopez also filed a Class Action Complaint against
13 Defendants for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure
14 to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage
15 statement violations; (7) failure to timely pay wages; (8) failure to indemnify; and (9) unfair
16 competition. This case was assigned to Honorable Kenneth R. Freeman of Department 14 of the
17 Los Angeles Superior Court. Pursuant to the Joint Stipulation to Dismiss Class Claims Without
18 Prejudice and a declaration submitted by Plaintiff's Counsel, based on the arbitration agreement
19 signed by Lopez with a class action waiver, on July 8, 2024, the Court dismissed the Class Action
20 Complaint without prejudice.

21 **3. MONETARY TERMS**

22 **3.1. Gross Settlement Amount.** Except as otherwise provided by Paragraph 8.1
23 below, Defendants promise to pay \$340,000.00 and no more as the Gross Settlement Amount.
24 Defendants has no obligation to pay the Gross Settlement Amount prior to the deadline stated in
25 Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement

1 Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of
2 payment. None of the Gross Settlement Amount will revert to Defendants.

3 **3.2. Payments from the Gross Settlement Amount.** The Administrator will make
4 and deduct the following payments from the Gross Settlement Amount, in the amounts specified
5 by the Court in the Final Approval:

6 **3.2.1 To PAGA Counsel:** A PAGA Counsel Fees Payment of not more than
7 35% which is currently estimated to be \$119,000 and PAGA Counsel
8 Litigation Expenses Payment of not more than \$30,000.00. Defendants
9 will not oppose requests for Court approval of these payments provided
10 that they do not exceed these amounts unless, in the event of a material
11 breach of this Agreement by Defendants, Plaintiff is required to move the
12 Court for enforcement of this Agreement. Plaintiff and/or PAGA Counsel
13 will file an application or motion for PAGA Counsel Fees Payment and
14 PAGA Litigation Expenses Payment. If the Court approves a PAGA
15 Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses
16 Payment less than the amounts requested, the Administrator will allocate
17 the remainder to the Net Settlement Amount. Released Parties shall have
18 no liability to PAGA Counsel or any other Plaintiff's Counsel arising from
19 any claim to any portion any PAGA Counsel Fees Payment and/or PAGA
20 Counsel Litigation Expenses Payment. There will be no additional charge
21 of any kind to either the Aggrieved Employees or request for additional
22 consideration from Defendants for such work unless, Defendants
23 materially breaches this Agreement, including any term regarding funding,
24 and further efforts are necessary from PAGA Counsel to remedy said
25 breach, including, without limitation, moving the Court to enforce the

1 Agreement. The Administrator will pay the PAGA Counsel Fees Payment
2 and PAGA Counsel Litigation Expenses Payment using one or more IRS
3 1099 Forms. PAGA Counsel assumes full responsibility and liability for
4 taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel
5 Litigation Expenses Payment and holds Defendants harmless, and
6 indemnifies Defendants, from any dispute or controversy regarding any
7 division or sharing of any of these Payments.

8 **3.2.2 To the Administrator:** An Administrator Expenses Payment not to
9 exceed \$6,990.00 except for a showing of good cause and as approved by
10 the Court. To the extent the Administration Expenses are less or the Court
11 approves payment less than \$6,990.00 the Administrator will retain the
12 remainder in the Net Settlement Amount.

13 **3.2.3 To the LWDA and Aggrieved Employees:** PAGA Penalties in the
14 amount of \$184,010 to be paid from the Gross Settlement Amount, with
15 75% (\$138,007.50) allocated to the LWDA PAGA Payment and 25%
16 (\$46,002.5) allocated to the Individual PAGA Payments.

17 **3.2.3.1** The Administrator will calculate each Individual PAGA Payment
18 by (a) dividing the amount of the Aggrieved Employees' 25% share
19 of PAGA Penalties (\$46,002.50) by the total number of PAGA
20 Period Pay Periods worked by all Aggrieved Employees during the
21 PAGA Period and (b) multiplying the result by each Aggrieved
22 Employee's PAGA Period Pay Periods. Aggrieved Employees
23 assume full responsibility and liability for any taxes owed on their
24 Individual PAGA Payment.

1 **3.2.3.2** If the Court approves PAGA Penalties of less than the amount
2 requested, the Administrator will allocate the remainder to the Net
3 Settlement Amount. The Administrator will report the Individual
4 PAGA Payments on IRS 1099 Forms.

5 **4. SETTLEMENT FUNDING PAYMENTS**

6 **4.1. Aggrieved Employee Pay Periods.** Based on a review of its records to date,
7 Defendants estimate there are 519 Aggrieved Employees who worked a total of 12,926 PAGA
8 Pay Periods.

9 **4.2. Aggrieved Employee Data.** Within 7 days of the Court granting approval of this
10 Settlement, Defendants will simultaneously deliver the Aggrieved Employee Data to the
11 Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees'
12 privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use
13 the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and
14 restrict access to the Aggrieved Employee Data to Administrator employees who need access to
15 the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a
16 continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved
17 Employee Data omitted employee identifying information and to provide corrected or updated
18 Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline
19 by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties
20 and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise
21 resolve any issues related to missing or omitted Aggrieved Employee Data.

22 **4.3. Funding of Gross Settlement Amount.** Defendants shall fully fund the Gross
23 Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the
24 Effective Date.

1 **4.4. Payments from the Gross Settlement Amount.** Within 7 days after Defendants
2 funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA
3 Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA
4 Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses
5 Payment and PAGA Representative Service Payment shall not precede disbursement of
6 Individual PAGA Payments.

7 **4.4.1.** The Administrator will issue checks for the Individual PAGA Payments
8 and send them to the Aggrieved Employees via First Class U.S. Mail,
9 postage prepaid. The face of each check shall prominently state the date
10 (not less than 180 days after the date of mailing) when the check will be
11 voided. The Administrator will cancel all checks not cashed by the void
12 date. Before mailing any checks, the Settlement Administrator must update
13 the recipients' mailing addresses using the National Change of Address
14 Database.

15 **4.4.2.** The Administrator must conduct an Aggrieved Employee Address Search
16 for all Aggrieved Employees whose checks are returned undelivered
17 without USPS forwarding address. Within 3 days of receiving a returned
18 check, the Administrator must re-mail checks to the USPS forwarding
19 address provided or to an address ascertained through the Aggrieved
20 Employee Address Search. The Administrator need not take further steps
21 to deliver checks to Aggrieved Employees whose re-mailed checks are
22 returned as undelivered. The Administrator shall promptly send a
23 replacement check to any Aggrieved Employee whose original check was
24 lost or misplaced, requested by the Aggrieved Employee prior to the void
25 date.

1 **4.4.3.** For any Aggrieved Employee whose Individual PAGA Payment check is
2 uncashed and cancelled after the void date, the Administrator shall
3 transmit the funds represented by such checks to the California Controller's
4 Unclaimed Property Fund in the name of the Aggrieved Employee.

5 **4.4.4.** The payment of Individual PAGA Payments shall not obligate Defendants
6 to confer any additional benefits or make any additional payments to the
7 Aggrieved Employees (such as 401(k) contributions or bonuses) beyond
8 those specified in this Agreement.

9 **5. RELEASES OF CLAIMS**

10 Effective on the date when Defendants fully fund the entire Gross Settlement Amount,
11 Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

12 **5.1. Plaintiff's Release.** Plaintiff and his or her respective former and present spouses,
13 representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors
14 and assigns generally release and discharge Released Parties from all claims, transactions or
15 occurrences that occurred prior to the execution of this Agreement, including, but not limited to,
16 all claims for civil penalties that were, or reasonably could have been alleged based on the facts
17 contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's
18 Release does not extend to any claims or actions to enforce this Agreement or to any claims for
19 alleged individual Aggrieved Employees' wage and hour claims, vested benefits, unemployment
20 benefits, disability benefits, social security benefits, or workers' compensation benefits, or claims
21 outside of the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law
22 different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true
23 but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects,
24 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.

5.1.2. The above release expressly excludes Plaintiff's claims for sex discrimination, sexual harassment, retaliation, violation of Labor Code section 1102.5, wrongful termination, wrongful termination in violation of public policy, intentional infliction of emotional distress, negligent infliction of emotional distress, and related claims.

5.2. Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA civil penalties that were alleged or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

5.3. Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT

1 The Parties agree to jointly prepare and file an application or motion for approval of this
2 Settlement.

3 **6.1. Plaintiff's Responsibilities.** Plaintiff will prepare and deliver to Defense Counsel
4 all documents necessary for obtaining approval of this Settlement under Labor Code Section
5 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement;
6 (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering
7 the Settlement and attesting to its willingness to serve; competency; operative procedures for
8 protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data
9 breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential
10 conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any
11 financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed
12 declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all
13 necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)),
14 Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code
15 section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all
16 modifications made to the Model Agreement ready for filing with the Court; and (v) all facts
17 relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the
18 Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not
19 aware of any other pending matter or action asserting claims that will be extinguished or
20 adversely affected by the Settlement.

21 **6.2. Responsibilities of PAGA Counsel.** PAGA Counsel is responsible for
22 expeditiously finalizing and filing the application or motion for approval of this Settlement after
23 the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the
24 motion. Defense Counsel is responsible appearing in Court to advocate in favor of the motion.
25

PAGA Counsel is also responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION

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

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

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

7.4. 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.

1 **8. AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR**
2 **CLAUSE**

3 Based on its records, Defendants estimate that, as of the date of this Settlement Agreement
4 there are 591 Aggrieved Employees who worked 12,926 Pay Periods during the PAGA Period.

5 **8.1 Increase in the Gross Settlement Amount.** Defendants represent that there are
6 no more than 12,926 Pay Periods in the PAGA Period. In the event the number of Pay Periods in
7 the PAGA Period increases by more than 10% or 1,293 Pay Periods, then the Defendants shall
8 have the choice of: (i) increasing the Gross Settlement Amount proportionally by the Pay Periods
9 in excess of 12,926 Pay Periods multiplied by the Pay Period Value. The Pay Period Value shall
10 be calculated by dividing the Gross Settlement Amount by the estimate of Pay Periods at issue,
11 meaning that the parties agree that the Pay Period Value shall be \$26.30 (\$340,000.00 / 12,926
12 Workweeks); or (ii) electing to end the PAGA Period on the date that the number of Pay Periods
13 reaches 14,219 Pay Periods (12,926 Pay Periods + 1,293 Pay Periods).

14 **9. CONTINUING JURISDICTION OF THE COURT**

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

19 **9.1. Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms
20 and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and
21 PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all
22 rights to appeal from the Judgment, including all rights to post-judgment and appellate
23 proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary
24 writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such
25 motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to

1 perform under this Agreement will be suspended until such time as the appeal is finally resolved
2 and the Judgment becomes final, except as to matters that do not affect the amount of the Net
3 Settlement Amount.

4 **10. ADDITIONAL PROVISIONS**

5 **10.1. No Admission of Liability or Representative Manageability for Other**
6 **Purposes.** This Agreement represents a compromise and settlement of highly disputed claims.
7 Nothing in this Agreement is intended or should be construed as an admission by Defendants
8 that any of the allegations in the Operative Complaint have merit or that Defendants have any
9 liability for any claims asserted; nor should it be intended or construed as an admission by
10 Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that representative
11 treatment is for purposes of this Settlement only. If, for any reason the Court does not approve
12 this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiff
13 reserves the right to contest Defendants' defenses. The Settlement, this Agreement and Parties'
14 willingness to settle the Action will have no bearing on, and will not be admissible in connection
15 with, any litigation (except for proceedings to enforce or effectuate the Settlement and this
16 Agreement).

17 **10.2. Integrated Agreement.** Upon execution by all Parties and their counsel, this
18 Agreement together with its attached exhibits shall constitute the entire agreement between the
19 Parties relating to the Settlement, superseding any and all oral representations, warranties,
20 covenants, or inducements made to or by any Party.

21 **10.3. Attorney Authorization.** PAGA Counsel and Defense Counsel separately
22 warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take
23 all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
24 to effectuate its terms, and to execute any other documents reasonably required to effectuate the
25 terms of this Agreement including any amendments to this Agreement.

1 **10.4. Cooperation.** The Parties and their counsel will cooperate with each other and
2 use their best efforts, in good faith, to implement the Settlement by, among other things,
3 modifying the Settlement Agreement, submitting supplemental evidence and supplementing
4 points and authorities as requested by the Court. In the event the Parties are unable to agree upon
5 the form or content of any document necessary to implement the Settlement, or on any
6 modification of the Agreement that may become necessary to implement the Settlement, the
7 Parties will seek the assistance of a mediator and/or the Court for resolution.

8 **10.5. No Prior Assignments.** The Parties separately represent and warrant that they
9 have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,
10 or encumber to any person or entity and portion of any liability, claim, demand, action, cause of
11 action, or right released and discharged by the Party in this Settlement.

12 **10.6. No Tax Advice.** Neither Plaintiff, PAGA Counsel, Defendants nor Defense
13 Counsel are providing any advice regarding taxes or taxability, nor shall anything in this
14 Settlement be relied upon as such within the meaning of United States Treasury Department
15 Circular 230 (31 CFR Part 10, as amended) or otherwise.

16 **10.7. Modification of Agreement.** This Agreement, and all parts of it, may be
17 amended, modified, changed, or waived only by an express written instrument signed by all
18 Parties or their representatives, and approved by the Court.

19 **10.8. Agreement Binding on Successors.** This Agreement will be binding upon, and
20 inure to the benefit of, the successors of each of the Parties.

21 **10.9. Applicable Law.** All terms and conditions of this Agreement and its exhibits will
22 be governed by and interpreted according to the internal laws of the state of California, without
23 regard to conflict of law principles.

1 **10.10. Cooperation in Drafting.** The Parties have cooperated in the drafting and
2 preparation of this Agreement. This Agreement will not be construed against any Party on the
3 basis that the Party was the drafter or participated in the drafting.

4 **10.11. Confidentiality.** To the extent permitted by law, all agreements made, and orders
5 entered during Action and in this Agreement relating to the confidentiality of information shall
6 survive the execution of this Agreement.

7 **10.12. Use and Return of Aggrieved Employee Data.** Information provided to PAGA
8 Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data
9 provided to PAGA Counsel by Defendants in connection with the mediation, other settlement
10 negotiations, or in connection with the Settlement, may be used only with respect to this
11 Settlement, and no other purpose, and may not be used in any way that violates any existing
12 contractual agreement, statute, or rule of court.

13 **10.13. Headings.** The descriptive heading of any section or paragraph of this Agreement
14 is inserted for convenience of reference only and does not constitute a part of this Agreement.

15 **10.14. Calendar Days.** Unless otherwise noted, all reference to “days” in this Agreement
16 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
17 weekend or federal legal holiday, such date or deadline shall be on the first business day
18 thereafter.

19 **10.15. Notice.** All notices, demands or other communications between the Parties in
20 connection with this Agreement will be in writing and deemed to have been duly given as of the
21 third business day after mailing by United States mail, or the day sent by email or messenger,
22 addressed as follows:

23 **To Plaintiff:**

24 BIBIYAN LAW GROUP, P.C.
25

1 1460 Westwood Boulevard
2 Los Angeles, California 90024

3 **To Defendants:**

4 BALLARD ROSENBERG GOLPER & SAVITT LLP
5 15760 Ventura Blvd, 18th Floor
6 Encino, California 91436

7 **10.16. Execution in Counterparts.** This Agreement may be executed in one or more
8 counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this
9 Agreement shall be accepted as an original. All executed counterparts and each of them will be
10 deemed to be one and the same instrument if counsel for the Parties will exchange between
11 themselves signed counterparts. Any executed counterpart will be admissible in evidence to
12 prove the existence and contents of this Agreement.

13 **10.17. Stay of Litigation.** The Parties agree that upon the execution of this Agreement
14 the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
15 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the
16 date to bring a case to trial under CCP section 583.310 for the entire period of this settlement
17 process.

18 **10.18. Severability.** In the event that one or more of the provisions contained in this
19 Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such
20 invalidity, illegality, or unenforceability shall in no way effect any other provision if
21 Defendant's' Counsel and PAGA Counsel, on behalf of the Parties and the Aggrieved
22 Employees, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable
23 provision had never been included in this Agreement.

24 ///

1 **IT IS SO AGREED:**

2
3 DocuSigned by:
Marc Glantz
A42CBDEF1504D3...

4 For Plaintiff, Rosario Lopez

5 For Defendants, Community Restaurants, Inc.,
6 Granville Glendale, Inc., Granville Restaurant
7 Partners, LLC, Granville Restaurant Partners 2,
8 LLC, Granville Pasadena, LLC, Granville
9 Management Group, Inc.

1 **IT IS SO AGREED:**

2
3 
Rosario Lopez (Jun 24, 2025 12:34 PDT)

4 For Plaintiff, Rosario Lopez

For Defendants, Community Restaurants, Inc.,
Granville Glendale, Inc., Granville Restaurant
Partners, LLC, Granville Restaurant Partners 2,
LLC, Granville Pasadena, LLC, Granville
Management Group, Inc.

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EXHIBIT “2”



BIBIYAN LAW GROUP, P.C.

8484 Wilshire Blvd., Suite 500
Beverly Hills, California, 90211
310.438.5555 T
310.300.1705 F
www.employmentlawyerla.com

February 7, 2024

PAGA NOTICE FILED ELECTRONICALLY

Re: Notice Letter of Rosario Lopez on Behalf of Herself and
Aggrieved Employees Under California Labor section 2699.3

Employer:	Community Restaurants, Inc. 16133 Ventura Blvd, Suite 1245 Encino, California 91436	Granville Restaurant Partners, LLC 16133 Ventura Blvd, Suite 1245 Encino, California 91436
	Granville Glendale, Inc. 16133 Ventura Blvd, Suite 1245 Encino, California 91436	Granville Pasadena, LLC 16133 Ventura Blvd, Suite 1245 Encino, California 91436
	Granville Restaurant Partners, LLC 16133 Ventura Blvd, Suite 1245 Encino, California 91436	Granville Management Group, Inc. 16133 Ventura Blvd, Suite 1245 Encino, California 91436

To Whom It May Concern:

This letter shall constitute notice under Labor Code section 2699.3 (hereinafter “PAGA Notice”). The \$75 filing fee for the PAGA Notice was paid online by credit card at the time this PAGA Notice was submitted online to the Department of Industrial Relations.

This PAGA Notice concerns Rosario Lopez (“Employee”) employment with Employee’s former employers: Community Restaurants, Inc., Granville Glendale, Inc., Granville Restaurant Partners, LLC, Granville Restaurant Partners 2, LLC, Granville Pasadena, LLC, and Granville Management Group, Inc. Employee was employed as a non-exempt employee of Community Restaurants, Inc., Granville Glendale, Inc., Granville Restaurant Partners, LLC, Granville Restaurant Partners 2, LLC, Granville Pasadena, LLC, and Granville Management Group, Inc. at, without limitation, 121 N San Fernando Blvd, Burbank, CA 91502, with duties that included, but were not limited to, greeting customers, managing reservations, and customer service from approximately October of 2022 and through approximately February of 2023. In connection with the alleged claims for failure to comply with Labor Code section 2810.5, Labor Code section 203, Labor Code section 226, Labor Code section 245, *et seq.*, Labor Code section 432, Labor Code section 1198.5, Labor Code section 2802, restraints on competition, whistleblowing and freedom of speech, Employee seeks to represent all employees of Community Restaurants, Inc., Granville

Glendale, Inc., Granville Restaurant Partners, LLC, Granville Restaurant Partners 2, LLC, Granville Pasadena, LLC, and Granville Management Group, Inc, and each of them, as well as their parents, subsidiaries and affiliates (hereinafter, collectively, “Employer”). On all other claims mentioned herein, Employee seeks to represent only non-exempt employees of Employer.

Employee and other aggrieved employees are covered by Labor Code section 510 and applicable Wage Orders. Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of requiring its employees to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight workdays in a workweek without paying them proper overtime wages, as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer’s control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock, and/or go through security screenings and/or temperature checks off the clock; failing to include all forms of remuneration, including non-discretionary bonuses, incentive pay, meal allowances, mask allowances, gift cards and other forms of remuneration into the regular rate of pay for the pay periods where overtime was worked and the additional compensation was earned for the purpose of calculating the overtime rate of pay; detrimental rounding of employee time entries, editing and/or manipulation of time entries to show less hours than actually worked, for paying straight pay instead of overtime pay, and by attempting but failing to properly implement an alternative workweek schedule (“AWS”) (including, without limitation, by failing to implement a written agreement designating the regularly scheduled alternative workweek in which the specified number of work days and work hours are regularly recurring; failing to adopt the AWS in a secret ballot election, before the performance of work, by at least a two-thirds (2/3) vote of the affected employees in the work unit; failing to follow the notice/disclosures procedures prior to any AWS election; and/or failing to register an AWS election with the State of California, as required by Labor Code section 511 and applicable Wage Orders) all to the detriment of Employee and other aggrieved employees. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 510, 1194, and applicable Wage Orders based on its practice of providing total compensation that is less than the required legal overtime compensation for the overtime worked, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of failing to compensate Employee and other aggrieved employees with minimum wages for all hours worked or otherwise under Employer’s control as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer’s control due to long lines for clocking in, to complete pre-

shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; and failing to pay split shift premiums. In addition, Employee and other aggrieved employees were required to report to work, and did report, but were not put to work and/or were furnished less than half their usual or scheduled day's work without being paid for half the usual or scheduled work at their regular rate of pay. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code sections 221, 223, 1197, 1182.12, Cal. Code Regs, title 8, section 110404(5)(A), and applicable Wage Orders based on its continued failure to pay minimum wages for all hours worked, entitling Employee and other aggrieved employees to actual and liquidated damages under, without limitation, Labor Code sections 1194 and 1194.2. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of compelling its employees to work in excess of five (5) and ten (10) hours per day without being afforded uninterrupted, timely, and complete 30-minute meal periods or compensation in lieu thereof including, without limitation: by interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code section 512, entitling Employee and other aggrieved employees to premium payments under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant meal periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant meal periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of compelling its non-exempt employees, including, without limitation, Employee, to work over four-hour periods (or major fractions thereof) without authorizing and permitting Employee and other aggrieved employees to take uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely relieved of all of their duties, including, without limitation: by failing to provide rest periods all together; requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods not providing them in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. As such, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor

Code section 226.7 were not made, either, for these non-compliant rest periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant rest periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of failing to permit Employee and other aggrieved employees from taking cooldown rest periods as required under California Code of Regulations, Title 8, Section 3395 and premium pay in lieu thereof under Labor Code section 226.7. As a result, Employer would be liable for civil penalties under Labor Code sections 558 and 2699.

In addition to the above, Employee is informed and believes, and based thereon alleges that Employer failed and continue to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code section 1198.5, and time records under Labor Code section 1174, making it difficult for Employee and other aggrieved employees to calculate their unpaid wages and/or premium payments. Employer also failed to provide these documents to Employee and other aggrieved employees upon request. This would entitle Employee and other aggrieved employees to penalties prescribed by Labor Code sections 226 and 1198.5. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1174.5 and 2699.

As a result of, among other things, Employer's herein-described policy or practice of failing to: accurately record time; failing to pay overtime and minimum wages; provide meal periods; provide rest periods; and provide compensation in lieu of meal or rest periods; as described above, Employee is informed and believes, and based thereon alleges, that Employer also intentionally failed and continues to fail to furnish aggrieved employees, including, without limitation, Employee, with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all deductions; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the other; and other such information as required by Labor Code section 226, subdivision (a). Specifically, Employer intentionally failed to furnish employees with itemized wage statements that accurately reflect the hours worked by Employee and other aggrieved employees and the rates of pay at which they were or should have been paid (including due to failure to pay at the proper regular rate), thus resulting in a failure to reflect gross and net wages earned and paid at each rate, as well. Consequently, since Employer would have failed to comply with Labor Code section 226, subdivision (a), Employee and other aggrieved employees would be entitled to recover penalties under, without limitation, Labor Code section 226, subdivision (e). Employer would also be liable for civil penalties pursuant to Labor Code sections 226.3, 558, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer also failed and refused, and continue to fail and refuse, to timely pay compensation to Employee and other terminated or resigned employees, including but not limited to, all overtime wages owed; all

minimum wages owed; and all premium pay owed as set out above, including, without limitation, for failure to pay at the proper regular rate of pay, among other things. Consequently, Employer would be liable for waiting time penalties for having violated California Labor Code sections 201, 202, and 203. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer has or had a policy or practice of unlawfully deducting wages by issuing in payment of wages due, or to become due, or as an advance on wages to be earned: an order, check, draft, note, memorandum, gift card, or other acknowledgement of indebtedness, (unless it was negotiable and payable in cash, on demand, without discount, at some established place of business in the state), the name and address of which must but did not appear on the instrument, and at the time of its issuance and for a reasonable time thereafter, which must be but was not at least 30 days, the maker or drawer did not have sufficient funds in, or credit, arrangement, or understanding with the drawee for its payment or any scrip, coupon, cards, or other thing redeemable, in merchandise or purporting to be payable or redeemable otherwise than in money. Employee is further informed and believes, and based thereon alleges, that such wages were not compensated at the “regular rate” of compensation as provided under Labor Code sections 226.7 and 510, subsection (a). Consequently, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code sections 212, 213, 226.7, and 510 subsection (a). Employer would thus be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is further informed and believes, and based thereon alleges that Employer failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and other aggrieved employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employer, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employer to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, employees may collect from Employer in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer also failed and refused, and continues to fail and refuse, to reimburse employees, including, without limitation, Employee and other aggrieved employees, with their costs incurred for driving personal vehicles (*i.e.*, mileage and gas), purchasing uniforms, providing uniform and other deposits, separately laundering mandatory uniforms, for the purchase of tools and safety equipment, and for

the purchase and maintenance of cellular phones and cellular phone plans, in direct consequence of the discharge of their duties, or of their obedience to the directions of Employer, as required by Labor Code section 2802, and other statutory and common law offenses. As a result, Employer are liable to reimburse Employee and other aggrieved employees for these costs incurred in furtherance of work duties. In addition, Employer would be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to reimburse deposits made, including uniform deposits together with all interest owed at the separation of employment in violation of Labor Code section 404, entitling Employee and other aggrieved employees to damages in the amount of the deposit and accrued interest. Employer would also be liable for civil penalties under Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to provide Employee and other aggrieved employees with all rights afforded to them under the Healthy Workplace Healthy Families Act of 2014, codified at Labor Code section 245, *et seq.*, including, without limitation, the amount of paid sick leave required to be provided pursuant to California and local laws. Employee is further informed and believes that the sick pay was not provided at the proper regular of pay as required under California law due to failure to properly calculate the regular rate. Employee is further informed and believes that Employer also did not permit its use upon request by Employee and other aggrieved employees as contemplated under California and local laws. Employee is additionally informed and believes that the notice requirement of Labor Code section 245 *et seq.* involves a mandatory payroll or workplace injury reporting. As such, Employer would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code section 2699, as well as equitable, injunctive, or restitutionary relief, and reasonable attorneys' fees and costs.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code section 227.3 and applicable Wage Orders. As such, Employer would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month." Employee is informed and believes and based thereon alleges that Employer did not and do not pay Employee and other aggrieved employees in accordance with Labor Code Section 204. As such, Employee is informed and believes, and based thereon alleges that Employer violated

Labor Code section 204. Employer would be liable for civil penalties pursuant to Labor Code sections 210, 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy of failing to provide all temporary workers with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employer would be liable for civil penalties pursuant to Labor Code sections 201.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to provide all working employees with suitable seats when the nature of the work reasonably permits the use of seats. Employee is further informed and believes, and based thereon alleges that Employer has failed to place an adequate number of seats in reasonable proximity to the work area and/or permitted employees to use such seats when it does not interfere with the performance of their duties when employees are not engaged in the active duties of their employment and the nature of their work requires standing.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from using or disclosing the skills, knowledge and experience they obtained at Employer for purposes of competing with Employer, including, without limitation, preventing Employees from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employer and under what circumstances that they might be receptive to an offer from a rival employer. As such, Employee is informed and believes that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employer would be liable for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from disclosing violations of state and federal law, either within Employer to their managers or outside Employer to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices prevent Employee and/or other aggrieved employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code section 232 and 232.5. These violations of the Labor Code would expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from engaging in lawful conduct during non-work hours, thus violating state statutes entitling employees to disclose wages, working conditions, and illegal conduct, including, without limitation, Labor Code sections 96, subdivision (k), 98.6, 232, 232.5, and 1197.5, subdivision (k). Employee is informed and believes that this lawful conduct includes the exercise of Employee and/or other aggrieved

employee's constitutional rights of freedom of speech and economic liberty and would thus expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer violated section 1527, 3366, 3457 and 8397.4 by failing to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of conducting unlawful background checks on prospective and current employees prior to making a conditional offer. Employee is informed and believes, and based thereon alleges, that Employer violated applicable laws by, without limitation: requiring job applicants and employees to disclose their conviction history before Employer made a conditional offer of employment; inquiring into or considering the conviction history of applicants before Employer made any conditional offers of employment; considering, distributing, or disseminating information about arrests not followed by conviction, referrals to or participation in a pretrial or posttrial diversion program, convictions that have been sealed, dismissed, expunged, or statutorily eradicated pursuant to law, or any conviction for which the convicted person has received a full pardon or has been issued a certificate of rehabilitation, while conducting conviction history background checks in connection with any applications for employment; intending to deny an applicant a position of employment solely or in part because of the applicant's conviction history; and asking applicants for employment to disclose, through any written form or verbally, information concerning or related to an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of the juvenile court, to the detriment of Employee and other aggrieved employees. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 432.7 and Government Code section 12952, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.7, 432.8, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of relying on the salary history information of an applicant for employment as a factor in determining whether to offer employment to an applicant or what salary to offer the applicant in violation of Labor Code section 432.3 by including, on Employer's application for employment, an inquiry regarding current and/or former salary history information, including, without limitation, compensation and benefits of the applicant for employment. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 432.3 entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.3 and 2699.

Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), please advise within sixty-five (65) calendar days of the postmarked date of this notice whether the LWDA intends to

investigate the violations alleged above. Our office understands that if we do not receive a response within sixty-five (65) calendar days of the postmark date of this PAGA Notice that the LWDA intends to investigate these allegations, Employee may immediately thereafter file a civil complaint against Employer to allege causes of action for civil penalties under the Private Attorney General Act for the herein-described alleged violations of the Labor Code.

Very truly yours,

BIBIYAN LAW GROUP, P.C.

A handwritten signature in black ink, appearing to read 'Ariella Mehrzadi', with a stylized, cursive script.

Ariella Mehrzadi

cc: Community Restaurants, Inc. (via U.S. Certified Mail, Return Receipt Requested)
Granville Glendale, Inc. (via U.S. Certified Mail, Return Receipt Requested)
Granville Restaurant Partners, LLC (via U.S. Certified Mail, Return Receipt Requested)
Granville Restaurant Partners 2, LLC (via U.S. Certified Mail, Return Receipt Requested)
Granville Pasadena, LLC (via U.S. Certified Mail, Return Receipt Requested)
Granville Management Group, Inc. (via U.S. Certified Mail, Return Receipt Requested)

EXHIBIT “3”



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A Firm-by-Firm Sampling of Billing Rates Nationwide

The *National Law Journal* asked the respondents to its 2002 survey of the nation's 250 largest law firms to provide hourly billing rate information for partners and associates firmwide. The firms that supplied information -- including some firms that are not in the NLJ 250 -- are listed below in alphabetical order. A number after a firm's name indicates the total number of attorneys at that firm. The city listed below the name of a firm is the location of the firm's principal office or largest office.

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z

A B C D

Akin, Gump, Strauss, Hauer & Feld (1,017)
(Washington, D.C.)
Partners \$330-\$500
Associates \$170-\$330

Alston & Bird (674)
(Atlanta)
Partners \$330-\$575
Associates \$170-\$500

Altholmer & Gray (361)
(Chicago)
Partners \$220-\$525
Associates \$115-\$360

Andrews & Kurth (375)
(Houston)
Partners \$310-\$595
Associates \$170-\$400

Arent Fox Kintner Plotkin & Kahn (249)
(Washington, D.C.)
Partners \$215-\$560
Associates \$165-\$360

Armstrong Teasdale (230)
(St. Louis)
Partners \$210-\$310
Associates \$105-\$240

Artor & Madden (273)
(Cleveland)
Partners \$215-\$450
Associates \$150-\$285

Baker, Donelson, Bearman & Caldwell (240)
(Memphis, Tenn.)
Partners \$175-\$480
Associates \$110-\$275

Ballard Spahr Andrews & Ingersoll (441)
(Philadelphia)

Kelley Drye & Warren (356)
(New York)
Partners \$300-\$590
Associates \$180-\$375

Kramer Levin Natolis & Frankel (285)
(New York)
Partners \$440-\$625
Associates \$210-\$440

L M N

Lang Powell Spears Lubetkin (175)
(Seattle)
Partners \$225-\$380
Associates \$175-\$260

Lewis, Rice & Fierstein (170)
(St. Louis)
Partners \$360-\$355
Associates \$110-\$270

Little Mendelson (395)
(San Francisco)
Partners \$220-\$440
Associates \$135-\$350

Locke Liden & Sapp (408)
(Houston)
Partners \$300-\$595
Associates \$150-\$340

Loeb & Loeb (175)
(Los Angeles)
Partners \$350-\$650
Associates \$185-\$325

Lord, Bissell & Brook (325)
(Chicago)
Partners \$255-\$510
Associates \$140-\$285

Lowenstein Sandler (193)
(Roseland, N.J.)

04/15/11

Partners \$240-\$525
Associates \$145-\$300

Bell, Boyl & Lloyd (226)
(Chicago)
Partners \$250-\$550
Associates \$200-\$275

Blackwell Sanders Peper Martin (301)
(Kansas City, Mo.)
Partners \$165-\$410
Associates \$110-\$210

Blank Rome Comisky & McCauley (398)
(Philadelphia)
Partners \$285-\$565
Associates \$175-\$360

Boutt, Cummings, Connors & Barry (89)
(Nashville, Tenn.)
Partners \$185-\$375
Associates \$138-\$235

Bracewell & Patterson (362)
(Houston)
Partners \$210-\$600
Associates \$125-\$325

Bradley, Arant, Rose & White (181)
(Birmingham, Ala.)
Partners \$205-\$365
Associates \$150-\$275

Brink, Hofer Gilson & Liene (138)
(Chicago)
Partners \$295-\$500
Associates \$165-\$290

Bryan Cave (841)
(St. Louis)
Partners \$225-\$710
Associates \$135-\$410

Buchalter, Nemer, Fields & Younger (137)
(Los Angeles)
Partners \$310-\$450
Associates \$160-\$350

Buchanan Ingersoll (302)
(Pittsburgh)
Partners \$225-\$720
Associates \$135-\$360

Buckingham, Doolittle & Burroughs (135)
(Akron, Ohio)
Partners \$205-\$360
Associates \$135-\$280

Burns, Deane, Swicker & Mathis (37)
(Alexandria, Va.)
Partners \$300-\$550
Associates \$175-\$300

Burr & Perman (169)
(Birmingham, Ala.)
Partners \$205-\$365
Associates \$140-\$225

Burton Long (204)
(Detroit)
Partners \$205-\$380
Associates \$135-\$215

Partners \$285-\$525
Associates \$140-\$295

Luce, Forward, Hamilton & Scripps (202)
(San Diego)
Partners \$310-\$500
Associates \$150-\$300

Manatt, Phelps & Phillips (244)
(Los Angeles)
Partners \$375-\$600
Associates \$200-\$355

Marshall, Dennehey, Warner, Coleman & Goggin
(288)
(Philadelphia)
Partners \$130-\$255
Associates \$115-\$180

Mathews and Branscomb (51)
(San Antonio)
Partners \$175-\$325
Associates \$125-\$195

McCarter & English (270)
(Newark, N.J.)
Partners \$250-\$495
Associates \$140-\$285

McGuireWoods (538)
(Richmond, Va.)
Partners \$210-\$575
Associates \$85-\$325

Michael Best & Friedrich (349)
(Milwaukee)
Partners \$180-\$425
Associates \$120-\$210

Miller, Canfield, Paddock and Stone (301)
(Detroit)
Partners \$210-\$475
Associates \$125-\$230

Miller & Chevalier (123)
(Washington, D.C.)
Partners \$320-\$650
Associates \$175-\$340

Miller Nash (140)
(Portland, Ore.)
Partners \$210-\$350
Associates \$125-\$225

Milken Mullins Rhy & Scarborough (202)
(Columbia, S.C.)
Partners \$200-\$390
Associates \$145-\$270

Nutter, McClennen & Fish (170)
(Boston)
Partners \$330-\$480
Associates \$175-\$300

O - R

Obermayer Rebmann Maxwell & Hippel (110)
(Philadelphia)
Partners \$300-\$475
Associates \$145-\$325

Ogletree, Deakins, Nash, Smoak & Stewart
(162)

06/15/11

Jenkins & Gilchrist (373)
(Dallas)
Partners \$275-\$525
Associates \$165-\$380

Jenner & Block (390)
(Chicago)
Partners \$350-\$625
Associates \$185-\$350

Jones, Walker, Waechter, Poltavant, Carrère &
Denègre (217)
(New Orleans)
Partners \$170-\$335
Associates \$110-\$185

Womble Carlyle Sandridge & Rice (437)
(Winston-Salem, N.C.)
Partners \$190-\$500
Associates \$125-\$265

Wyatt, Tarrant & Combs (201)
(Louisville, Ky.)
Partners \$150-\$310
Associates \$100-\$190

(The National Law Journal, December 2002)

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02/15/11

EXHIBIT “4”

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11

12 Attorneys for Plaintiffs ROSA CANTU and
SANDRA CHU

13 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 COUNTY OF LOS ANGELES
15

16 ROSA CANTU AND SANDRA CHU,
individually and on behalf of others similarly
17 situated,

18 Plaintiffs,

19 vs.

20 PACIFIC BELL TELEPHONE COMPANY
d/b/a AT&T CALIFORNIA, and Does 1 through
21 100, inclusive,

22 Defendants.
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Case No.: BC441237

CLASS ACTION [Code Civ. Proc. § 382]

REPRESENTATIVE ACTION
[Labor Code § 2698, et seq.]

DECLARATION OF RICHARD M. PEARL
IN SUPPORT OF PLAINTIFFS' MOTION
FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND AN AWARD
OF REASONABLE ATTORNEYS' FEES
AND COSTS

Date: February 4, 2011

Time: 9:00 a.m.

Dept: 324

Judge: Emilie H. Elias

DECLARATION OF RICHARD M. PEARL IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND AN AWARD OF REASONABLE ATTORNEYS' FEES AND COSTS - CASE NO.: BC441237

234747-2

1 I, Richard M. Pearl, declare:

2 I make this Declaration of my own personal knowledge, and if called to testify, I could
3 and would testify competently to the matters stated herein.

4 A. Background

5 2. I am a member in good standing of the California State Bar. I am in private practice as
6 the principal of my own law firm, the Law Offices of Richard M. Pearl. I specialize in issues related to
7 court-awarded attorneys' fees, including the representation of parties in fee litigation and appeals,
8 serving as an expert witness, and serving as a mediator and arbitrator in disputes concerning attorneys'
9 fees and related issues. In this case, I have been asked by Plaintiffs' counsel to express my expert
10 opinion regarding their claim for reasonable attorneys' fees.

11 3. Briefly summarized, my background is as follows: I am a 1969 graduate of Boalt Hall
12 School of Law, University of California, Berkeley, California. After graduation, I spent fourteen years
13 in federally-funded legal services programs before going into private practice in 1982. From 1977 to
14 1982, I was Director of Litigation for California Rural Legal Assistance, Inc., a statewide legal services
15 program with more than fifty attorneys. Since April 1987, I have been a sole practitioner in the San
16 Francisco Bay Area. Martindale Hubbell rates my law firm "AV." I also have been selected as a
17 Northern California "Super Lawyer" in Appellate Law for 2005, 2006, 2007, 2008, and 2010. A copy
18 of my Resume is attached hereto as Exhibit A.

19 4. Since 1982, my practice has been a general civil litigation and appellate practice, with an
20 emphasis on cases and appeals involving court-awarded attorneys' fees. I have lectured and written
21 extensively on court-awarded attorneys' fees. I have been a member of the California State Bar's
22 Attorneys Fees Task Force and have testified before the State Bar Board of Governors and the
23 California Legislature on attorneys' fee issues. I am the author of California Attorney Fee Awards, (3d
24 ed Cal. CEB 2010). I also was the author of California Attorney Fee Awards, 2d Ed. (Calif. Cont. Ed.
25 of Bar 1994), and its 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007,
26 and 2008 Supplements. This treatise has been cited by the California appellate courts on more than 35
27 occasions. I also authored the 1984, 1985, 1987, 1988, 1990, 1991, 1992, and 1993 Supplements to its
28 predecessor, CEB's California Attorney's Fees Award Practice. In addition, I authored a federal

1 manual on attorneys' fees entitled Attorneys' Fees: A Legal Services Practice Manual, published by the
2 Legal Services Corporation. I also co-authored the chapter on "Attorney Fees" in Volume 2 of CEB's
3 Wrongful Employment Termination Practice, 2d Ed. (1997).

4 5. More than 90% of my practice is devoted to issues involving court-awarded attorney's
5 fees. I have been counsel in over 140 attorneys' fee applications in state and federal courts, primarily
6 representing other attorneys. I also have briefed and argued more than 40 appeals, at least 25 of which
7 have involved attorneys' fees issues. In the past ten or so years, I have successfully handled four cases
8 in the California Supreme Court involving court-awarded attorneys' fees: (1) *Delaney v. Baker* (1999)
9 20 Cal. 4th 23, which held that heightened remedies, including attorneys' fees, are available in suits
10 against nursing homes under California's Elder Abuse Act; (2) *Ketchum v. Moses* (2001) 24 Cal. 4th
11 1122, which held, inter alia, that contingent risk multipliers remain available under California attorney
12 fee law, despite the United States Supreme Court's contrary ruling on federal law (note that in
13 *Ketchum*, I was primary appellate counsel in the Court of Appeal and "second chair" in the Supreme
14 Court); (3) *Flannery v. Prentice* (2001) 26 Cal. 4th 572, which held that in the absence of an agreement
15 to the contrary, statutory attorneys' fees belong to the attorney whose services they are based upon; and
16 (4) *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal. 4th 553, which I handled, along with trial counsel,
17 in both the Court of Appeal and Supreme Court. I also successfully represented the plaintiffs in a
18 previous attorneys' fee decision in the Supreme Court, *Maria P. v. Riley* (1987) 43 Cal. 3d 1281, and
19 represented amicus curiae, along with Richard Rosfisch, in the Supreme Court's most recent fee
20 decision, *Vasquez v. State of California* (2009) 45 Cal. 4th 243. I also have handled several Ninth
21 Circuit attorneys' fees matters, including *Davis v. City & County of San Francisco* (9th Cir. 1992) 976
22 F.2d 1536, *Mangold v. CPUC* (9th Cir. 1995) 67 F.3d 1470, *Velez v. Wynne* (9th Cir. 2007) 2007 U.S.
23 App. LEXIS 2194, and *Camacho v. Bridgeport Financial, Inc.* (9th Cir. 2008) 523 F.3d 973. See
24 Exhibit A.

25 B. Plaintiffs' Counsel's Rates

26 6. I have been asked by Plaintiffs' counsel to submit this declaration in support of
27 Plaintiffs' Motion for Final Approval of Class Action Settlement and an Award of Reasonable
28 Attorneys' Fees and Costs. I submit this declaration to provide the Court information concerning

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DECLARATION OF RICHARD M. PEARL IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND AN AWARD OF REASONABLE ATTORNEYS' FEES AND COSTS - CASE NO. BC441277

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1 hourly rates for attorneys in the San Francisco Bay Area, and in particular to provide information
2 demonstrating that the hourly rates requested by Plaintiffs' counsel in this matter are within the range of
3 market rates being charged in the San Francisco Bay Area and the San Diego market for similar
4 services, i.e. handling and trying complex class actions on behalf of employees against large employers
5 like Pacific Bell Telephone Company in this case.

6 7. I understand that Plaintiffs' counsel are requesting an award of attorneys' fees at the
7 following rates:

8 a. Goldstein Demchak Baffer Borgen & Dardarian, Oakland, CA

9

Name	Grad Year	Billing Rate
Robert L. Steele	1993	\$600
Laura L. Ho	1994	\$600
Joseph E. Jaramillo	1995	\$550
Senior Paralegal		\$195
Paralegal		\$150

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13 b. Grace Hollis LLP, San Diego, CA

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Name	Grad Year	Billing Rate
Graham S.P. Hollis	1985	\$600
Marta Manus	2008	\$375
Senior Paralegal		\$170

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17 8. Through my writing and practice, I have become familiar with the non-contingent
18 market rates charged by attorneys in California and elsewhere. This familiarity has been obtained in
19 several ways: (1) by handling attorneys' fee litigation; (2) by discussing fees with other attorneys;
20 (3) by obtaining declarations regarding prevailing market rates in cases in which I represent attorneys
21 seeking fees; and (4) by reviewing attorneys' fee applications and awards in other cases, as well as
22 surveys and articles on attorney's fees in the legal newspapers and treatises.

23 9. The information I have gathered, some of which is summarized below, shows that the
24 rates requested by Plaintiffs' counsel in this case are well in line with the non-contingent market rates
25 charged by litigation attorneys of similar qualifications and experience in San Francisco, San Diego,
26 and similar markets.

27 ///

28 ///

c. Rates found reasonable in other cases.

Set forth below are rates that were awarded by the courts in the following cases:

2010 Rates

(1) *Savaglio, et al. v. WalMart*, Alameda County Superior Court No. C-835687-7, Order Granting Class Counsel's Motion for Attorneys' Fees, filed September 10, 2010, a wage and hour class action, in which the court found the following hourly rates reasonable (before applying a 2.36 multiplier):

Years of Experience	Rate
31	\$875
30	\$750
28	\$600
23	\$775
25	\$550
23	\$650
21	\$625
19	\$610
18	\$600
17	\$585
16	\$570
15	\$560
14	\$550
13	\$525
12	\$515
11	\$510
10	\$505
9	\$500
7	\$460
4	\$435
Law Clerks	\$125-\$260

2009 Rates

(1) *Center for Biological Diversity v. California Fish & Game Commission*, San Francisco Superior Court No. CPF-08-508759, Order Granting Petitioners' Motion for Attorneys' Fees, filed December 1, 2009, in which the court found reasonable the following hourly rates:

Years of Experience	Rate
25	\$650
8	\$375
4	\$250
Law Clerks	\$150

(2) *Kashmiri et al v. Regents of U.C.*, San Francisco Superior Court, Order Granting Plaintiffs' Motion for Common Fund Attorneys' Fees and Expenses, filed September 30, 2008, in which the court found the following rates reasonable, plus a 3.7 lodestar multiplier:

Years of Experience	Rate
40	\$750
22	\$690
14	\$590
7	\$420
4	\$345
2	\$295
Law Clerks	\$200
Paralegals	\$195

(4) *Environmental Law Foundation v. Laidlaw Transit, Inc.*, San Francisco Superior Court No. CGC-06-451832, Order Granting Motion for Court Approval of Parties Joint Stipulated Judgment, filed September 22, 2008, in which the court found the following hourly rates reasonable in a Proposition 65 action, plus a 1.25 multiplier:

Years of Experience	Rate
29	\$750
26	\$700
24	\$700
23	\$650
18	\$650
16	\$625
14	\$600
10	\$560
9	\$495-\$575
8	\$475
7	\$450
6	\$395
4	\$325
2	\$300
1	\$250
Paralegals	\$145-\$175
Interns	\$125

(5) *Gardner v. Schwarzenegger*, Alameda County Superior Court No. RG06-278911, Order After Hearing filed April 20, 2009, aff'd by unpublished opinion, 2010 Cal. App. Unpub. LEXIS 1240, in which the court found the following 2008 rates reasonable, plus a 1.75 multiplier:

Years of Experience	Rate
17	\$640
14	\$590
8	\$445
Paralegal	\$170

a. Rate Information from Surveys and Other Cases:

I have reviewed numerous declarations and depositions filed in other cases, as well as various surveys of legal rates. These include the Westlaw CourtExpress Legal Billing Reports for May, August, and December 2009 (attached hereto as Exhibit B). These sources show the hourly rates for litigation undertaken on a non-contingent basis by the following California law firms, listed in alphabetical order:

Altshuler Berzon LLP

2009 Rates:

Years Experience	Rate
32	\$775
15	\$625
8	\$475
Law Clerks	\$200
Paralegals	\$195

2007 Rates:

Years Experience	Rate
23	\$700
15	\$550
5	\$325
Paralegals	\$155-\$190

Cooley Godward Kronish LLP

2008 Rates:

Years Experience	Rate
Partners	\$525-\$980
Associates	\$285-\$570

2007 Rates:

Years Experience	Rate
Partners	\$470-\$875 (average \$673)
Associates	\$250-\$555 (average \$403)

Coughlin Stoia Geller Rudman & Robbins, LLP

2007 Rates:

Years Experience	Rate
42	\$700
19	\$650
14	\$650
14	\$600
13	\$585
11	\$510
6	\$460
5	\$285

Duane Morris LLP

2009 Rates:

Years Experience	Rate
Partners	\$325-\$795
Associates	\$225-\$450

Epstein Becker & Green LLP

2009 Rates:

Years Experience	Rate
Partners	\$350-\$855
Associates	\$180-\$475

Fenwick & West

2007 Rates:

Years Experience	Rate
Partners	\$500-\$775 (average \$590)
Associates	\$245-\$500 (average \$370)

Hadsell Stormer

2009 Rates:

Years Experience	Rate
35	\$775
20	\$575

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Howard, Rice, Nemerovski, Canady, Falk & Rabkin

2008 Rates:

Years Experience	Rate
Partners	\$515-\$795
Associates	\$275-\$510

2007 Rates:

Years Experience	Rate
Partners	\$495-\$775
Associates	\$275-\$485

Litt, Estuar, Harrison & Kitson, LLP

2009 Rates:

Years Experience	Rate
39	\$800
16	\$550
3	\$320
2	\$285
Paralegals	\$125-\$235
Law Clerks	\$225

Loeb & Loeb

2009 Rates:

Years Experience	Rate
Partners	\$475-\$950
Associates	\$285-\$450

2008 Rates:

Years Experience	Rate
Partners	\$450-\$925
Associates	\$260-\$500

2007 Rates:

Years Experience	Rate
Partners	\$475-\$875 (average \$600)
Associates	\$240-\$500 (average \$400)

Manatt, Phelps & Phillips

2009 Rates:

Years Experience	Rate
Partners	\$495-\$850
Associates	\$250-\$505

2008 Rates:

Years Experience	Rate
Partners	\$495-\$850
Associates	\$290-\$505

2007 Rates:

Years Experience	Rate
Partners	\$520-\$785 (average \$600)
Associates	\$265-\$480 (average \$395)

Morrison Foerster

2009 Rates:

Years Experience	Rate
24	\$750

2008 Rates:

Years Experience	Rate
45	\$675
36	\$725
33	\$785
14	\$650
12	\$600
9	\$560
7	\$535
5	\$485
1	\$520
Paralegals	\$185- \$230

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2007 Rates:

Years Experience	Rate
44	\$675
11	\$550
8	\$520
6	\$475
3	\$250

O'Melveny & Myers

2009 Rates:

Years Experience	Rate
36-37	\$860-\$950
21	\$820
16-18	\$700-\$710
14	\$595-\$675
10	\$590
8	\$565
7	\$540-\$565
5-6	\$480-\$520
2-4	\$395-450
Paralegals	\$225-310

Reed Smith

2008 Rates:

Years Experience	Rate
Partners	\$375-\$900 (average \$626)
Associates	\$235-\$580 (average \$423)

2007 Rates:

Years Experience	Rate
Partners	\$350-\$825 (average \$558)
Associates	\$200-\$510 (average \$374)

Rudy, Exelrod & Zieff

2009 Rates:

Years Experience	Rate
Partners	
31	\$700
Associates	
3	\$305

2007 Rates:

Years Experience	Rate
Partners	
29	\$700
12	\$500
Associates	
10	\$400
8	\$330
Law Clerk	\$200
Paralegal	\$150

Schonbrun, DeSimone, Seplow, Harris & Hoffman

2009 Rates:

Years Experience	Rate
33	\$750
25	\$625
24	\$625
8	\$375
6	\$370
Paralegals	\$125

Sheppard, Mullin, Richter & Hampton

2008 Rates:

Years Experience	Rate
Partners	\$475-\$795
Associates	\$275-\$455

2007 Rates:

Years Experience	Rate
Partners	\$425-\$795
Associates	\$260-\$550

Townsend and Townsend and Crew

2009 Rates:

Years Experience	Rate
Partners	\$480-\$750
Associates	\$260-\$460

Winston & Strawn

2009 Rates:

Years Experience	Rate
Partners	\$400-\$995
Associates	\$210-\$670

10. The hourly rates set forth above pertain largely to law firms headquartered in the San Francisco Bay Area and Los Angeles. To the extent those law firms handle cases in other jurisdictions, like San Diego, they almost always charge the same rates that they do for litigation in the Bay Area. To the extent Plaintiffs' claim is based upon San Diego rates, however, I also am of the opinion that they are in line with the rates charged by lawyers of comparable skill, experience, and reputation for comparable work, i.e., complex representative litigation in San Diego. I base that opinion on the following facts:

a. In a report filed with the California Public Utilities Commission (attached as Exhibit C), the San Diego Gas & Electric Co. reported that in 2003, it hired outside counsel at rates of from \$477-\$625 per hour for partners with 13 or more years experience, \$435 per hour for partners with 8-12 years of practice, and \$239-\$425 per hour for associate attorneys with up to 7 years of practice. Hourly rates have increased significantly since then.

b. San Diego law firm Luce, Forward, Hamilton & Scripps reports that in 2010, its partner rates ranged from \$350 to \$670 per hour, and its associate rates ranged from \$245 to \$445 per hour. In 2009, its partner rates ranged from \$360 to \$650 per hour, and its associate rates ranged from \$240 to \$540 per hour.

11. My research regarding attorneys' fees in California has indicated a consistent increase in fees over the last several years. Most firms increased their rates over these periods. Consistent with this market, I raised my rates in 2009 and 2010, and will raise it again in 2011, to reflect both the

1 demand for my services and inflation in costs and legal rates; my rate is still significantly less than
2 many attorneys with comparable experience, expertise, and skills at other firms.

3 12. The hourly rates set forth above are those charged where full payment is expected
4 promptly upon the rendition of the billing and without consideration of factors other than hours and
5 rates. If any substantial part of the payment were to be deferred for any substantial period of time, for
6 example, or if payment were to be contingent upon outcome or any other factor, the fee arrangement
7 would be adjusted accordingly to compensate the attorneys for those factors.

8 13. In my experience, fee awards are almost always determined based on current rates, i.e.,
9 the attorney's rate at the time a motion for fees is made, rather than the historical rate at the time the
10 work was performed. This is a common and accepted practice to compensate attorneys for the delay in
11 being paid.

12 C. Plaintiffs' Counsel's Requested Percentage Fee

13 14. I understand that Plaintiffs request an award of fees under the common fund doctrine as a
14 percentage of the fund recovered in this litigation sufficient to provide them with a reasonable fee. This
15 is an appropriate request because this is a fully-paid, non-reversionary settlement in which the value of
16 the class recovery is fully monetized at \$2,000,000, inclusive of fees, expenses, and settlement
17 administration costs. Under these circumstances, courts award fees as percentages of the common fund
18 where they are in line with the range of fees freely negotiated in the legal marketplace in comparable
19 litigation.

20 15. Based on the information I have gathered and my own experience and expertise, it is my
21 opinion that the 33 1/3% common fund fee recovery requested by Class Counsel is, in the
22 circumstances of this case, reasonable and consistent with awards approved by other California state
23 courts reviewing class action settlements, based on the factors discussed below.

24 16. My opinion is based in part on the fact that, as a common fund case with the fund
25 consisting of \$2 million, Plaintiffs' claimed fee of 33 1/3% is entirely consistent with the legal
26 marketplace for attorneys' services in contingency fee cases involving similar financial recoveries. In
27 the course of my practice, I have become familiar with the contingency fee percentages charged by law
28 firms to sophisticated institutional clients in large damage cases. Based on that knowledge and my

13
DECLARATION OF RICHARD M. PEARL IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND AN AWARD OF REASONABLE ATTORNEYS' FEES AND COSTS - CASE NO.: DC441237

234747-2

1 experience in the attorneys' fees field generally, it is my opinion that if competent and experienced
2 attorneys and a sophisticated client were to negotiate a contingency fee agreement under the
3 circumstances where (a) a high risk, complex case was being contemplated, (b) it is anticipated that the
4 opposition would be vigorous, and (c) the attorneys would not be paid unless and until they were able to
5 obtain significant relief for the client, the sophisticated client would be more than willing to enter into a
6 retainer agreement under which the client would pay only the litigation out-of-pocket costs, and the
7 attorneys could reasonably expect to recover 5% to 35% of the total value of any recovery as fees.

8 17. An award of 33 1/3% of the common fund requested by Class Counsel here is consistent
9 with legal marketplace for attorneys' services in contingency fee cases because of (a) the high risk
10 involved in litigating an incentive compensation plan case on behalf of nearly 100 California
11 employees; (b) the vigorous defense presented by the large defense firm that represents Defendant here;
12 (c) the relatively small size of the common fund, which weighs toward a higher percentage; and (d) the
13 fact that here, unlike in the paradigm market practices situation described in the previous paragraph,
14 Class Counsel were obligated to advance the substantial litigation costs on a contingent basis with risk
15 of delay in repayment as well as possible non-repayment, and to represent Plaintiffs through appeal of
16 any judgment in this case. This award would also be appropriate to encourage settlement, reward
17 counsel for maximizing their clients' recoveries, and promote the private enforcement of the wage and
18 hour laws Plaintiffs allege were violated.

19 D. Plaintiffs' Counsel's Lodestar Multiplier

20 18. Courts often cross-check a percentage-based fee against a lodestar based fee to determine
21 if it is reasonable. I understand that Plaintiffs' lodestar here is \$332,383.88 on non-fees work. The
22 \$666,667 fee award requested represents a 2 multiplier on the non-fees lodestar.

23 19. The expense and risk of public interest litigation has not diminished over the years; to
24 the contrary, these cases are in many ways more difficult than ever. As a result, fewer and fewer
25 attorneys and firms are willing to take on such litigation, and the few who are willing to do so can only
26 continue if their fee awards reflect true market value. Attorneys who litigate on a wholly or partially
27 contingent basis expect to receive significantly higher effective hourly rates in cases where
28 compensation is contingent on success. As the case law recognizes, this does not result in any

1 "windfall" or undue "bonus." In the legal marketplace, a lawyer who assumes a significant financial
2 risk on behalf of a client rightfully expects that his or her compensation will be significantly greater
3 than if no risk was involved (i.e., if the client paid the bill on a monthly basis), and that the greater the
4 risk, the greater the "enhancement." Adjusting court-awarded fees upward in contingent fee cases to
5 reflect the risk of recovering no compensation whatsoever for hundreds of hours of labor simply makes
6 them competitive in the legal marketplace, helping to ensure that meritorious cases will be brought to
7 enforce important public interest policies and that clients who have meritorious claims will be more
8 likely to obtain qualified counsel.

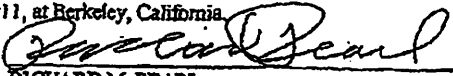
9 20. In my experience, lodestar multipliers of 2 to 4 are typical for class actions such as this
10 case. Plaintiffs' requested fee falls well within this range.

11 **E. Plaintiffs' Counsel's Out-of-Pocket Expenses.**

12 21. I have reviewed the billing practices of hundreds of attorneys in California. Based on
13 my experience and knowledge of these billing practices, I am aware that it is a common practice for
14 firms to bill their clients for out-of-pocket expenses incurred in litigation on a monthly basis as they are
15 incurred. Such expenses include, but are not limited to, charges incurred for copying, long-distance
16 telephone calls, postage, messengers, travel, deposition and hearing transcripts, legal and non-legal
17 computer research services, mediation services, and expert witnesses. I am informed that Plaintiffs
18 expended \$16,258.08 in out-of-pocket litigation expenses in this case, including \$8,000 for the services
19 of an experienced and skilled mediator, David Rotman, who brokered the settlement in this case. Based
20 on my knowledge and experience of such costs and billing practices, it is my opinion that these
21 expenses are reasonable given the complex nature of this case.

22 If called as a witness, I could and would competently testify from my personal knowledge to the
23 facts stated herein. I declare under penalty of perjury under the laws of the state of California the
24 foregoing is true and correct.

25 Executed this 4th day of January, 2011, at Berkeley, California.

26 
27 RICHARD M. PEARL
28

15
DECLARATION OF RICHARD M. PEARL IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND AN AWARD OF REASONABLE ATTORNEYS' FEES AND COSTS - CASE NO. SCW1127

234747-2

EXHIBIT “5”