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JORGE ZEPEDA TORRES

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

COMPLEX CIVIL LITIGATION

JORGE ZEPEDA TORRES, individually, and on behalf of the State of California and other aggrieved persons,

Plaintiff,

v.

SIERRA PACIFIC FARMS, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CVRI2403079

ASSIGNED FOR ALL PURPOSES TO:
Hon. Harold W. Hopp, Dept. 1

PAGA REPRESENTATIVE ACTION

DECLARATION OF JOHN G. YSLAS IN SUPPORT OF PLAINTIFF'S MOTION FOR APPROVAL OF PAGA SETTLEMENT

RESERVATION ID: 957897590005
Date: January 21, 2027
Time: 8:30 a.m.
Dept.: 1

Complaint Filed: June 4, 2024
Trial Date: Not Set

DECLARATION OF JOHN G. YSLAS

I, John G. Yslas, declare as follows:

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

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

Relevant Facts and Procedural History

3. On March 28, 2024, Plaintiff filed a putative class action against Defendant Sierra Pacific Farms, Inc. ("Defendant") alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (9) unfair business practices.

4. Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice on March 29, 2024, to the Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support (LWDA-CM-1019332-24). Attached hereto as **Exhibit 1** is true and correct copy of the March 29, 2024 PAGA Notice Letter.

5. Thereafter, the Parties met and conferred and agreed to mediate the PAGA Action with Michael D. Singer, Esq., a well-respected and experienced mediator in wage-and-hour class and representative actions. In advance of mediation, PAGA Counsel conducted a thorough investigation into the facts of, and applicable law to, the PAGA Action. Prior to mediation, Plaintiff obtained through informal discovery a representative sampling of time and payroll data for aggrieved employees and the necessary policy documents to properly evaluate the strengths and weaknesses of the claims and engage in meaningful settlement discussions.

6. On February 24, 2026, the Parties engaged in an all-day mediation session before

Mr. Singer. With the assistance of the mediator, the Parties were able to reach an agreement on general settlement terms at mediation. The settlement was negotiated in light of all known facts and circumstances and the uncertainty associated with litigation – including the risk of Plaintiff not being able to maintain representative claims, the difficulty of proving Plaintiff's claims in a manageable trial, the merits of Defendant's potential defenses, and the significant delay and potential appellate issues inherent to litigation – and was reached after extensive arm's length negotiations.

PAGA Settlement

7. The Settlement Agreement negotiated by the Parties provides for a Gross Settlement Amount ("GSA") payment in the amount of $135,000.00 to resolve the PAGA Action. Settlement Agreement, §§ 1.19, 3.1. The GSA will be used to pay the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Expenses Payment, the PAGA Representative Service Payment and the Administration Expenses Payment. Settlement Agreement, § 1.19. After deducting PAGA Representative Service Payments, PAGA Counsel Fees, PAGA Counsel Litigation Expenses, and Administrator Expenses Payment from the GSA, the amount remaining is the Net Settlement Amount ("NSA"). Settlement Agreement § 1.24. The NSA shall be distributed as PAGA Penalties with 75% of the NSA allocated to the LWDA PAGA Payment and 25% of the NSA allocated to Individual PAGA Payments. Settlement Agreement, §§ 1.20, 1.24. Attached hereto as **Exhibit 2** is a true and correct copy of the PAGA Settlement Agreement.

8. This PAGA Settlement amount compares favorably to the estimated amount of PAGA penalties. Plaintiff calculated that the maximum amount of statutory PAGA civil penalties was potentially $160,500.00 for an estimated 45 employees based on 1,605 pay periods.[1]

[1] Stacking is where more than one civil penalty is imposed in a pay period for the same conduct. The valuation of $160,500.00 is the civil penalty amount without stacking. If stacking is permitted, then the valuation increases with each additional penalty added to each pay period. Courts to consider the issue have refused to "stack" penalties. *See Carrington v. Starbucks Corp*., 30 Cal.App.5th 504 (2018).

Assessment of Amount in Controversy and Risks of Continued Litigation

9. Plaintiff and my firm remain confident of the merits of Plaintiff's claims. Plaintiff's allegations that Defendant failed to pay Plaintiff and the aggrieved employees all of their owed wages is based on Defendant's failure to pay employees for work performed "off-the-clock." With respect to the meal period allegations, Plaintiff alleges that Defendant lacked compliant policies providing meal periods during the PAGA Period. Although Plaintiff contends that this allegation is meritorious, there is risk with this underlying claim, particularly because Defendant issued some meal period premiums to its employees and implemented meal period waivers throughout the covered period. With respect to the rest break allegation, Plaintiff contends that employees, including himself, were not provided with California-compliant rest periods. Again, despite Plaintiff's contention that this allegation is credible, proving rest break allegations is particularly difficult because rest breaks do not have to be recorded and Defendant can argue that the aggrieved employees chose to voluntarily forego their rest breaks. With respect to the unreimbursed business expenses allegation, Plaintiff alleges that Defendant required him and the other aggrieved employees to use their personal cell phones for work-related purposes (e.g., communicating with supervisors), without reimbursement from Defendant. Defendant disputes this claim. With regard to Plaintiff's wage statement claims, Defendant argues that the wage statements issued to employees meet the requirements of Labor Code section 226(a).

10. Plaintiff believes there is a legitimate risk of the Court significantly reducing penalties given the technical nature of the alleged violations. Without this settlement, the Parties face preparation for trial, as well as extensive formal discovery efforts and depositions. As a result, the Parties would incur considerably more attorneys' fees and costs through trial. This settlement avoids those risks and the accompanying expense. Thus, this factor favors settlement approval.

11. My expert determined that there were 1,605 pay periods during the relevant time period which presented issues with regard to unpaid wages, meal period violations, rest break violations, and unreimbursed business expenses. Applying the $100 "initial violation" penalty for each of these pay periods, Defendant's potential PAGA exposure is $160,500.00 (based on 1,605 pay periods).

12. The proposed Settlement of $135,000.00 therefore represents approximately 84.11% of Plaintiff's reasonably forecasted total recovery ($135,000.00 / 160.500.00). In this case, continued litigation would delay payment to the LWDA and the aggrieved employees as they await trial and, potentially, appellate proceedings. Furthermore, while Plaintiff is confident in the merits of the case, a legitimate controversy exists as to each of the predicate Labor Code violations. The possibility that the Court finds no liability at the PAGA bench trial is also a risk. In sum, when the risks of litigation, the burdens of proof necessary to establish liability, and the probability of appeal of a favorable judgment are balanced against the merits of Plaintiff's claims, it is clear the settlement amount is fair. Further, because of the proposed Settlement, the aggrieved employees will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

13. If the Court approves the terms of the Settlement, each aggrieved employee's payment will average approximately $344.82 and approximately $46,550.10[2] will go to the LWDA. In reality, some employees will likely receive more, and others may receive less depending on the length of their employment with Defendant.

Attorneys' Fees and Costs

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

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

16. WLF is qualified to handle this litigation because its attorneys are experienced in litigating Labor Code violations in individual, class action, and representative action cases. WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as

[2] The Net Settlement Amount is: $135,000.00 minus $45,000.00 for attorneys' fees, minus $23,820.16 for litigation expenses, minus $7,500.00 for Plaintiff's service award, and minus $3,499.00 in administration costs. This leaves $55,180.84, 75% of which will be paid to the LWDA ($41,385.63), and 25% of which will be paid to the aggrieved employees ($13,795.21).

class actions involving consumer rights and data privacy litigation.

17. I graduated from the University of California, Santa Barbara with High Honors in 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law School in 1996.

18. Upon graduating from law school in 1996, I worked for a boutique law firm practicing general litigation which included employment law matters. Since 2000 (that is, the last 23 years) my practice has been exclusively focused on labor and employment matters including handling wage and hour class, collective and representative actions (including the California Private Attorneys General Act, or "PAGA"), as well as work performed at the international law firms of Morgan, Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright LLP (where I was a partner) and Seyfarth Shaw (where I was a partner and member of the Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or took a major leading role in defending employers on numerous wage and hour class, collective and representative actions.

19. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire Law Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and hour class and representative actions litigating such matters on behalf of plaintiff employees in numerous Superior Courts and District Courts. Across matters representing both plaintiffs and defendants, I have successfully mediated the resolution of many wage and hour class, collective, and representative actions. Since starting to settle cases in late April 2023 I have already successfully mediated matters in which I have been counsel or co-counsel resulting in **over $300 million** in settlements and verdicts that are in the process of being finalized, and with numerous upcoming mediations scheduled. In these and numerous other matters, I have managed and assisted with the litigation and settlement of many wage and hour PAGA and class actions. In those actions, I performed similar tasks as those performed in the course of prosecuting this action. Indeed, I recently tried and prevailed in achieving a jury verdict in a certified wage and hour class action in the matter of *Aguilar-Flores v. Javier's – CC LLC*, Los Angeles County

Superior Court, Case No. 19STCV36438 (settled after verdict).

20. I have received numerous awards for my legal work. For example, from 2015 to 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters). I have also served on numerous prominent boards and in other leadership positions, including currently serving as Southern California Regional President for the Hispanic National Bar Association and on the board of directors of the Mexican American Bar Foundation. I also previously served on the five-member Los Angeles Civil Service Commission, which generally oversees the personnel decisions for the City of Angeles.

21. I have also published numerous blogs on labor and employment law issues including on wage and hour issues. For example, I published "Headline News: Wal-Mart v. Dukes-Impact on Class Action Litigation" (while a partner with Foley & Lardner LLP) and "Are You Really Protected From Wage-and-Hour Successor Liability in an Asset Purchase" (while a partner with Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a presenter involving the "Employment Law Update" at a National Employment Law Council conference. I currently bill at an hourly rate of $1,500.00.

22. William M. Pao is a Junior Partner at WLF. He graduated from the University of Southern California with a double-major in Psychology and Humanities (Emphasis in Theatre Arts) and received his juris doctorate degree from Loyola Law School. Mr. Pao has dedicated his 20-plus year career to plaintiffs' class action litigation. Prior to joining WLF, he worked at various prominent defense firms and a very well-known plaintiffs' boutique class action litigation firm where he recovered more than $100 million in settlements. Mr. Pao's wealth of experience includes successful work on all stages of class action litigation, including class certification motions, and class settlements. He was the principal drafter of a successful and reportable appeal in *Harris v. KM Industrial, Inc*., (2020) 980 F.3d 694 affirming the standards when challenging the amount-in-controversy standard under the Class Action Fairness Act. Mr. Pao has been involved in hundreds of wage-and-hour and Federal Credit Reporting Act class actions and Private Attorneys General Act representative actions throughout the State of California.

23. WLF's hourly rates are comparable to those charged by other class action plaintiffs'

counsel and the firms defending class actions. WLF's rates are well within the range of hourly rates that the Los Angeles legal marketplace would compensate counsel for similar services accomplishing similar results. For example, in *Bronshteyn v. State of California*, Los Angeles County Superior Ct. No. 19SMCV00057, Order Granting Plaintiff's Motion for Statutory Attorneys' Fees and Costs filed March 30, 2023, an employment action brought by two small law firms (Levy, Vinick, Burrell & Hyams LLP and Law Offices of Wendy Musell), the court found that counsel's 2022 hourly rates of $1,100 and $1,000 per hour were reasonable for the plaintiff's five senior attorneys, including $1,000 per hour for the plaintiff's 23-year lead counsel and $850 per hour for a senior associate. These rates were then augmented by a 1.75 lodestar multiplier and affirmed by the California Court of Appeals. The rates (and multiplier) requested here are well in line with those found reasonable in *Bronshteyn*. In *Tran v. Golden State FC LLC*, *et al*. (LASC Case No. BC699931), Fee Order filed 4/8/2022, the court found hourly rates of $1,300 per hour reasonable for plaintiff's 32-year attorney and $1,000 per hour reasonable for a 14-year attorney.

24. WLF has been approved as Class Counsel by courts in California. *See,* e.g., *Matthew Veliz v. DrinkPak, LLC*, Los Angeles County Superior Court, Case No. 22STCV37384, *Ismael Villegas-Sanchez v. COE Orchard Equipment, Inc.*, Sutter County Superior Court, Case No. CVCS22-0002261; *Jessica Bronsal v. PTI Technologies Inc.*, Ventura County Superior Court, Case No. 202200570361CUOE; *Miguel A. Vigil Ruiz v. The De Ruosi Group, LLC*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2022-8780; *Gutierrez v. Top Drawer Merch, LLC et al*, Los Angeles County Superior Court, Case No. 23STCV04299; *Wing v. Road Machinery, LLC et al*, Kern County Superior Court, Case No. BCV-22-102896; *Hernandez v. SGPS Showrig Los Angeles, Inc.*, Los Angeles County Superior Court, Case No. 22STCV28155; *Azevedo v. Tulare Nursing & Rehabilitation Hospital, Inc.*, Tulare County Superior Court, Case No. VCU293325; *Haser v. Universal Chain of California, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00332268; *Caldera v. Performance Online, Inc. et al*, Riverside County Superior Court, Case No. CVRI2306013; *Goosby v. CiminoCare, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00329033; *Rooks v. Hot Cakes Restaurant Group, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2022-11056; *Garcia v. Compassionate*

Heart, Orange County Superior Court, Case No. 30-2022-01294409-CU-OE-CXC; *Parra v. Citrus Valley Management Services, Inc.*, Riverside County Superior Court, Case No. CVRI2301768; *Torres v. HomeShield Pest Control Inc.*, Placer County Superior Court, Case No. S-CV-0049525; *Cabrera v. Creekside Auto Group*, Santa Clara County Superior Court, Case No. 23CV415661; *Simpson v. Arcos*, Riverside Superior Court, Case No. CVRI2303337; *Payne v. Planned Parenthood: Shasta-Diablo, Inc.*, San Francisco County Superior Court, Case No. CGC-23-607359. The total hours expended on this action are reasonable and in line with those expended in comparable cases.

25. In cases in which WLF has been approved as Class Counsel, California courts have approved rates similar to those requested by WLF in the instant case. *See*, e.g., *Rodolfo Ponce v. Youbar, Inc.*, Los Angeles County Superior Court, Case No. 22STCV37519 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Samantha A. Smith ($1,000.00), Jeffrey C. Bils ($850.00), Aram Boyadjian ($600.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)); *Sabrina N. Batres v. Wish Automotive II, Inc. dba Infiniti of Van Nuys*, Los Angeles County Superior Court, Case No. 23STCV19968 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Jeffrey C. Bils ($850.00), Aram Boyadjian ($600.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)); *Diandrea Correa et al. v. CareMeridian, LLC, et. al.,* Los Angeles County Superior Court, Case No. 23STCV10707 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Samantha A. Smith ($1,000.00), Jeffrey C. Bils ($850.00), Fawn F. Bekam ($800.00), Diego Aviles ($800.00), Aram Boyadjian ($600.00), Harry Erganyan ($600.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)); *Carlos Santos Granados v. Sunny Hills Management Co., Inc.,* Los Angeles County Superior Court, Case No. 23STCV02109 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Samantha A. Smith ($1,000.00), Jeffrey C. Bils ($850.00), Diego Aviles ($750.00), Courtney M. Miller ($650.00), Aram Boyadjian ($600.00), Harry Erganyan ($600.00), Mariam Nazaretyan ($550.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)); *Kayla Kurges v. Khanna Enterprises, Ltd. dba Sheraton Agoura Hills,* Los Angeles County Superior Court, Case No. 24STCV01590 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Jeffrey C. Bils

($850.00), Aram Boyadjian ($600.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)); *Thora Magney et al. v. Levi Strauss & Co., et al.*, Los Angeles County Superior Court, Case No. 24STCV02320 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Samantha A. Smith ($1,000.00), Jeffrey C. Bils ($850.00), Fawn F. Bekam ($800.00), Aram Boyadjian ($600.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)); *Armando Muniz, et al. v. Lot LLC, dba Lot Management LLC (fka Red Cow, Inc.) et. al.*, Los Angeles County Superior Court, Case No. 22STCV32901 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Samantha A. Smith ($1,000.00), Jeffrey C. Bils ($850.00), Diego Aviles ($750.00), Aram Boyadjian ($600.00), Harry Erganyan ($600.00), Mariam Nazaretyan ($550.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)); *George Munoz v. Century West, LLC dba Century West BMW*, Los Angeles County Superior Court, Case No. 23STCV04247 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Samantha A. Smith ($1,000.00), Jeffrey C. Bils ($850.00), Aram Boyadjian ($600.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)); *Ivan S. Martinez II et. al. v. The Haar Company, et. al.,* Los Angeles County Superior Court, Case No. 23STCV21651 (WLF's rates were approved as follows: John G. Yslas ($1,500.00), Samantha A. Smith ($1,000.00), Jeffrey C. Bils ($850.00), Diego Aviles ($750.00), Aram Boyadjian ($600.00), Harry Erganyan ($600.00), Mariam Nazaretyan ($550.00), Lisa B. Iturriaga ($550.00), and Andrew Sandoval ($500.00)).

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

a. The report provides rate information filtered by geographic market, practice type, and timekeeper role. Page 33 of the report reflects rates drawn from 565 partners and 518 associates practicing in Los Angeles. In that dataset, the third-quartile hourly rate is

$1,365 for partners and $982 for associates. These figures confirm that Los Angeles is a high-rate legal market and that experienced litigation partners routinely bill in excess of $1,300 per hour based on rates actually paid by clients in 2024. The Real Rate Report further shows that in the San Diego market, partners with 21 or more years of experience command third-quartile billing rates of approximately $1,334 per hour, confirming that highly experienced litigators in major Southern California markets routinely bill at the upper end of the rate spectrum.

b. The 2025 Real Rate Report's practice-area-specific data further supports this conclusion. Page 81 provides third-quartile rates for the detailed practice category "Employment and Labor: Other Litigation," which is directly analogous to the type of work performed in this case. That dataset includes 24 partners and 14 associates and shows a third-quartile rate of $1,252 per hour for partners and $564 per hour for associates. These figures demonstrate that even within the specialized employment litigation market, partners regularly bill well above $1,200 per hour based on rates actually charged to clients. When this practice-specific benchmark is considered together with the broader regional market data, it confirms that WLF's hourly rate for highly experienced counsel in a representative employment action falls within the upper range of prevailing market rates rather than outside it.

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

throughout California. I am a UCLA School of Law graduate with nearly three decades of experience litigating labor and employment matters—including as a partner and holding leadership roles at major international law firms when I was on the defense side for 26 years, as well as substantial recent class and representative action results including being one of the few attorneys in the state of California to try a wage and hour class action to verdict (and prevail), and achieving results exceeding $225 million in just the last three years since starting to settle matters as a plaintiffs' attorney. My credentials and experience place my $1,500 hourly rate within the highest tier of Southern California employment litigators, consistent with rates that would fall within the fourth quartile beyond those reported in the Real Rate Report.

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

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

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

b. filing the Action;

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

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

e. selecting a mediator and mediation date;

f. working with opposing counsel and expert consultants for the receipt of a representative sampling and analyzing the same with the aid of expert consultants and Plaintiff to perform analyses of liability and exposure prior to attendance of the mediation in this matter;

g. reviewing policy documents from Defendants and researching applicable defenses;

h. preparation of the mediation brief and damages model for use at mediation;

i. attendance at the mediations by all Parties and Counsel;

j. communicating with Plaintiff;

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

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

29. WLF's current lodestar reflects the efficiencies achieved by attorneys experienced in this field with 92.6 hours of work resulting in $83,145.00 in fees. The chart below shows the calculation of hours spent by each of WLF's attorneys on this case:

Attorney	**Hours**	**Hourly Rate**	**Total**
John G. Yslas	14.3	$1,500.00	$21,450.00
William M. Pao	41.4	$1,000.00	$41,400.00
Matthew R. Baker	12.3	$650.00	$7,995.00
Refugio Ortega-Carrillo	24.6	$500.00	$12,300.00
TOTAL	**92.6**		**$83,145.00**

30. This amount surpasses the requested fee award of $45,000.00, resulting in a negative multiplier. This amount does not include the time PAGA Counsel will spend at the PAGA approval hearing and assisting the Settlement Administrator following final approval. PAGA Counsel dedicated significant resources to this case by dividing the tasks required according to skill level. The hours expended by each attorney were not duplicative and reflect the extensive investigation and analysis that was required to achieve this Settlement. This time could have been spent on other potentially lucrative cases. PAGA Counsel's lodestar reflects

the efficiencies achieved by attorneys experienced in this field. Moreover, PAGA Counsel has singularly assumed the risk and costs of litigation purely on a contingency basis. And, while Plaintiff is confident in the merits of his claims, a legitimate controversy exists as to each cause of action, posing an actual risk that Plaintiff may not succeed at trial. Any of these obstacles could have prevented recovery completely, meaning PAGA Counsel would have been left with no compensation for all the time and money invested in litigating this case. Despite these risks, PAGA Counsel took this case on a contingency basis so that aggrieved employees (a particularly vulnerable group of hourly paid workers) could be compensated for their unpaid wages. Consequently, PAGA Counsel was precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

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

32. In litigation costs, WLF has incurred approximately $23,820 in expenses on items such as filing fees, service fees, mediation fees, and expert fees. All the costs incurred were reasonable and necessary for the prosecution of this case. The Settlement provides for reimbursement of costs not to exceed $25,000.00. Settlement Agreement § 3.2.2. The remaining $1,180 will therefore revert to the NSA to be distributed as PAGA Penalties to the LWDA and aggrieved employees. A true and correct copy of WLF's cost reports in this matter is attached hereto as **Exhibit 5**.

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

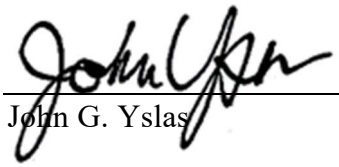
34. Pursuant to California Labor Code Section 2699(s)(1), Plaintiff submitted a copy of the PAGA Complaint to the LWDA on March 29, 2024. Attached hereto as **Exhibit 6** is a true and correct copy of the submission confirmation for the PAGA Complaint. Pursuant to California

Labor Code Section 2699(s)(2), Plaintiff submitted the proposed Settlement Agreement to the LWDA on October 30, 2026. Attached hereto as **Exhibit 7** is a true and correct copy of the submission confirmation for the proposed Settlement Agreement. To date, the LWDA has not responded to or objected to the Settlement in this matter. Plaintiff will submit a copy of the Court's judgment and order approving the Settlement Agreement to the LWDA within ten (10) days after entry of judgment or order.

35. WLF has no actual or potential conflict of interest with the aggrieved employees in this PAGA Action or with the Settlement Administrator that the Parties agreed to appoint, xPand Legal Consulting LLC.

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

Executed on October 30, 2026, at Los Angeles, California.



John G. Yslas

EXHIBIT 1

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Arrash Fattahi, Esq.
Jesse Chen, Esq.

March 29, 2024

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

Dirick Edge
Agent for Service of Process
Sierra Pacific Farms, Inc.
40880 Via Los Altos
Temecula, CA 92591
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6621 5897 22

Re: ***Jorge Zepeda Torres v. Sierra Pacific Farms, Inc.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Jorge Zepeda Torres ("Mr. Zepeda" or "Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Employee's former employers, Sierra Pacific Farms, Inc. ("SPF" or "Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and potentially all of Employers' Aggrieved Employees.

Mr. Zepeda wishes to pursue this action on behalf of Employees as Aggrieved Employees, on behalf of the State of California, as well as on behalf of potentially all other persons who worked for SPF in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Employee and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Mr. Zepeda's Employment with SPF

SPF is a professional farm management firm which offers services such as grove management and development, harvesting, marketing, and pest management, etc. Employee worked in various positions, including manager. Employee's primary job function was to ensure tasks are successfully completed. In performing Employee's duties, Employee was regularly required to

perform work (off-the-clock), without compensation. Employee was also frequently deprived of an opportunity to take legally compliant meal and rest breaks. Employers failed to provide Employee and other Aggrieved Employees with the meal and rest break premiums as required by the Labor Code. Additionally, Employee necessarily incurred business-related expenses, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Mr. Zepeda is a resident of Somis, California who worked for Employers in Riverside County, California as an hourly-paid, non-exempt employee from approximately July 2006 to approximately August 2023.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

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

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

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

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

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

Throughout the statutory period, Employers failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at time required Employee and the Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking

out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers failed to properly calculate Employee's regular rate of pay when paying overtime, by failing to include all compensation in Employee's overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

Throughout the statutory period, Employers also engaged in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employee worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to "precisely capture time worked" means that "the employer must pay the employee for that worktime when due." (*Id*. at 671.) As a result of Employers' rounding policy, Employee consistently was not compensated at least minimum wage for all hours that Employee worked.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

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

Despite these legal requirements, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

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

Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employee and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted.

Instead, Employers at times continued to assert control over Employee and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or at times by denying Employee and the Aggrieved Employees, or some of them, permission to take a rest period. Accordingly, Employers at times failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure at times to pay Employee and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all

wages for all hours worked. As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees, or some of them.

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

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment in the manner described above shall apply unless the employee has voluntarily authorized that deposit and provided that the employer complies with the provisions of Labor Code § 213(d) relating to the payment of wages upon termination or quitting of employment.

Within the applicable statute of limitations, the employment of Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the

employment of others will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail, to pay Employee and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages. Employers also violated, and continue to violate, Labor Code section 213(d) by paying final wages (if any are paid at all) via direct deposit without the employee's voluntary authorization.

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

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

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination, and for unlawfully making any such payment (if any) via direct deposit without the employee's voluntary authorization.

Failure to Furnish Accurate Itemized Wage Statements

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

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employee and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with

California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars ($4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers at times wrongfully required Employee and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Employee and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees, or some of them, for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee. Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions.

Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees, or some of them, by virtue of Employers' time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. Employers failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers' failure to relieve Employee and Aggrieved Employees, or some of them, of all duties and Employers' control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employee's and Aggrieved Employees' meal periods, or some of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employee's and Aggrieved Employees' work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees, or some of them. Employers' failure to keep "accurate and complete" payroll records for Employee and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.[1]

Violation of Wage Theft Protection Act of 2011

Based on information and belief, Employers failed at times, and continue at times to fail, to comply with the notice requirements of Labor Code section 2810.5 (i.e., the Wage Theft Protection Act of

[1] See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

2011) by, among other things, failing to provide Employee and Aggrieved Employees, or some of them, 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 Employers, 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 Employers 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 Employers to pay Aggrieved Employees, or some of them, 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, Aggrieved Employees, or some of them, may collect from Employers in connection with these violations' civil penalties pursuant to Labor Code sections 558 and 2699.

Violation of California Labor Code §§ 245-248.5

Throughout the relevant time period, Employers at times failed to provide proper paid sick leave to Employee and other Aggrieved Employees, or some of them. Employers either failed at times to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employee and other Aggrieved Employees, or some of them, by failing at times to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers' premises) and by failing at times to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, Employers further failed at times to provide notice of the correct sick leave amount balance available to Employee and other Aggrieved Employees, or some of them, on their wage statements or other written statement.

Based on information and belief, Employers at times failed to put Aggrieved Employees, or some of them, on notice of their paid sick leave rights, thereby failing at times to put their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, Employers at times failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the Aggrieved Employees, or some of them.

Based on information and belief, Employers at times failed to provide notice of sick leave amount balance left for Employee and other Aggrieved Employees, or some of them, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Employee, and other Aggrieved Employees, or some of them, would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation. This illegal retention of paid sick leave is unlawful, and Employee seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employee and the Aggrieved Employees, or some of them.

In violation of Labor Code section 247.5, Employers at times failed to maintain records documenting the hours worked and paid sick days accrued and used by Employee and Aggrieved Employees, or some of them, permitting the presumption that Employee and these Aggrieved

Employees, or some of them, were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employers at times further failed and continue at times to fail to comply with Labor Code section 246, by failing to provide Employee and Aggrieved Employees, or some of them, with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages. Employers at times unlawfully retained and continue at times to retain paid sick leave that should have been paid but was not, as a result of Employers' failure, at times, to properly institute a paid sick leave program.

On information and belief, Employee alleges that these practices at times were experienced and continue to be experienced at times by other Aggrieved Employees, or some of them. Employee requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to Employers' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Employee and other Aggrieved Employees, or some of them, are entitled to injunctive relief, attorneys' fees, declaratory relief, restitution, and penalties as permitted by law. Employee requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Failure To Provide Supplemental Paid Sick Leave

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member or if it is vaccine-related. Based on information and belief, Employers at times violated Labor Code section 248.2 by not providing Aggrieved Employees, or some of them, with required 2021 COVID-19 Supplemental Paid Sick Leave.

Refusal to Make Payment

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

Employers at times violated and continue at times to violate Labor Code section 216 by failing to pay Employee and Aggrieved Employees, or some of them, for all hours worked at the proper wage rate and by failing to pay Employee and Aggrieved Employees, or some of them, an additional hour of pay for each meal and/or rest period not provided or that was invalid. Gould v. Maryland Sound Industries, Inc. (1995) 31 Cal.App.4th 1137, 1154-1155. These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a separate civil penalty, for each Aggrieved Employee (or some of them) so affected, for each pay period (or some of them) during which the statute's provisions were violated.[2]

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[2] Labor Code § 225.5 (establishing that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty…for each failure to pay each employee") (emphasis added).

Seating Violations

Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

All applicable IWC Wage Orders, Section 14(A-B) provides:

> (A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.
>
> (B) When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

Suitable seating is one of the worker protections covered by California's Wage Orders, which have the same dignity as statutes, are remedial in nature and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. Brinker Restaurant Corp. v. Superior Court, 53 Cal.4th 1004, 1027 (2012).

Based on information and belief, Employers at times failed to provide Aggrieved Employees, or some of them, with suitable seating, and when such employees, or some of them, were not engaged in duties which required them to stand, at times no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that Aggrieved Employees were working. Lastly, based on information and belief, Aggrieved Employees at times were not engaged in active duties of their employment, yet at times there were no suitable seats in reasonable proximity to the work area, and use of seats would not have interfered with the performance of their duties.

Employers' Aggrieved Employees worked in various positions. The nature of Employee's and other Aggrieved Employees' work, or some of them, reasonably permitted the use of seats. However, Employers at times failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas, or some of them, in violation of section 14(A-B) of applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each Aggrieved Employee, or some of them, results in a separate civil penalty.[3]

Statutory Wage Violations

Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

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[3] See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

As described above, Employers at times willfully and systematically denied Employee and other Aggrieved Employees, or some of them, of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employers at times acted with the intent to deprive some or all of them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employers at times paid Employee and other Aggrieved Employees, or some of them, lower wages than those to which they were entitled, while purporting that Employee and all Aggrieved Employees were properly paid. As such, Employee and Aggrieved Employees, or some of them, are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, Employers at times had and continue at times to have a policy and/or practice of failing to allow Aggrieved Employees, or some of them, and Exempt Aggrieved Employees, or some of them, to use their earned vacation/paid time off during their employment and failing at times to pay all vested, accrued paid time off to Aggrieved Employees, or some of them, and/or Exempt Aggrieved Employees, or some of them, upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Failure to Timely Provide Temporary Workers with Owed Wages

On information and belief, Employers at times had and have failed to provide temporary workers, or some of them, 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, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

Unlawful Agreements/ Unlawful Criminal History Inquiries

Unlawful Agreements
Labor Code section 432.5 provides that "no employer … shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer … to be prohibited by law." Based on information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful conditions of employment including but not limited to unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

The California Labor Code places certain procedural and substantive limits on employers' ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to

work) in certain positions (e.g., managerial positions, financially related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA - CA Civil Code section 1786, et seq.) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, et seq.) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, Employers at times ordered unlawful financial credit checks on Aggrieved Employees and Exempt Aggrieved Employees, or some of them, in violation of Labor Code section 1024.5, and at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employee to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

Based on information and belief, Employers at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to a background check which failed to abide by the requirements set forth in California Civil Code section 1786, et seq. and 15 U.S.C. section 1681, et seq., including but not limited to by failing, at times, to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing at times to provide disclosures free of extraneous information, failing at times to provide a lawful purpose for the background check, failing at times to provide a summary of rights under the ICRAA and/or the FRCA, failing at times to provide a way by which the individual could request a copy of the report, failing at times to disclose the name, address, and telephone number of the third party preparing the report, and failing at times to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By at times requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to provide ongoing consent to Employers to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by at times requiring applicants and employees, or some of them, to agree to an unlawful provision as a condition of employment.

Based on further information and belief, Employers knew that requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times in writing to unlawful provisions as a condition of employment, Employers violated Labor Code section 432.5.

Unlawful Inquires into Criminal History
Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, Employers at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act ("FEHA"), at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking, at times, about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking, at times, about convictions at the application phase or prior to extending an employment offer, Employers violated California's Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver
Additionally, Employers at times violated Labor Code section 432.5 by requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to other unlawful agreements, including but not limited to an unlawful waiver of PAGA and or representative actions, as a condition of employment.

An action pursuant to PAGA '"…is a representative action on behalf of the state'" Kim v Reins Int'l California, Inc., (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee's right to a trial of PAGA claims is contrary to California law and unenforceable. See Iskanian v CLS Transportation Los Angeles, LLC (2014) 59 Cal. 4th 348, 384 ("We conclude that where, as here, an employment agreement compels the waiver of representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.").

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee's individual PAGA claim because there is no such thing as an individual PAGA claim. Kim v Reins Int'l California, Inc., (2020) 9 Cal. 5th 73, 86-87 ("There is no individual component to a PAGA action because 'every PAGA action … is a representative action on behalf of the state.'").

Upon information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By at times requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree, in writing, to an unlawful PAGA waiver, Employers at times required written agreement to an unlawful provision as a condition of employment, which is a violation of labor code section 432.5.

As such, Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, continue to be subject at times to various unlawful provisions as a condition of employment.

Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees, or some of them, from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employee is informed and believes, 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). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

Whistleblower Violations

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from disclosing violations of state and federal law, either within Employers to their managers or outside Employers 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 at times prevent Employee and/or other Aggrieved Employees, or some of them, from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

Workplace Health and Safety Violations

On information and belief, Employers at times have failed to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges, that Employers at times have required or permitted employees, or some of them, to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges, that Employers at times have failed or neglected to provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges, that these failures include, without limitation, at times failing to disinfect time clocks and other surfaces after use by Employee and/or other Aggrieved Employees, or some of them; at times failing to provide adequate protection equipment to Employee and/or other Aggrieved Employees, or some of them; and at times failing to provide adequate distance in working conditions between Employee and/or other Aggrieved Employees, or some of them.

On information and belief, Employers violated section 1527, 3366, 3457 and 8397.4 by failing at times 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.

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing at times to authorize and permit rest periods;
4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing at times to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal at times to pay wages due and payable and/or denial at times of the validity of any claim to wages due;
13. Labor Code § 223 for at times secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure at times to pay vested vacation and/or paid time off;
15. Section 14(A-B) of all applicable IWC Wage Orders for failure at times to provide suitable seating;
16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure at times to timely provide temporary workers, or some of them, with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for at times preventing employees, or some of them, from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries at times into criminal histories; and

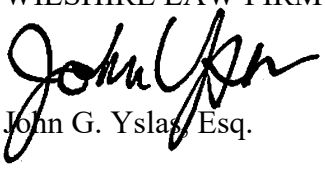
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

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

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

Sincerely,

WILSHIRE LAW FIRM



John G. Yslas, Esq.

EXHIBIT 2

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PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Jorge Zepeda Torres ("Plaintiff") and defendant Sierra Pacific Farms, Inc. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations under the Private Attorneys General Act against Defendant captioned *Jorge Zepeda Torres v. Sierra Pacific Farms, Inc*., Case No. CVRI2403079 initiated on June 4, 2024 and pending in Superior Court of the State of California, County of Riverside.

1.2. "Related Action" means the Plaintiff's lawsuit filed on March 28, 2024. Plaintiff filed a class action complaint in Riverside County Superior Court asserting nine causes of action: (1) failure to pay minimum and straight time wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to authorize and permit rest periods, (5) failure to timely pay final wages at termination, (6) failure to provide accurate itemized wage statements, (7) failure to indemnify employees for expenditures, (8) failure to produce requested employment records, and (9) unfair business practices.

1.3. "Arbitration" means Plaintiff's individual claim proceeding before the American Arbitration Association, Case No. 01-24-0008-7050 pursuant to the Court's order granting Defendant's motion to compel Plaintiff's claim stemming from the Related Action to Arbitration.

1.4. "Administrator" means xPand Legal Consulting, LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.5. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses.

1.6. "Aggrieved Employee" means all currently or formerly employed by Sierra Pacific Farms, Inc. as a non-exempt employee in the State of California at any time during the PAGA Period.

1.7. "PAGA Counsel" means John G. Yslas and William M. Pao of Wilshire Law Firm, PLC.

1.8. "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.

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

1.9. "PAGA Member" means the Aggrieved Employees as defined above.

1.10."PAGA Period" means the period from March 31, 2023 to February 17, 2026.

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1.11.“PAGA Representative” means the named Plaintiff in the operative complaint in the Action.

1.12.“PAGA Representative Service Payment” means the payment to the PAGA Representative for initiating the Action and providing services in support of the Action.

1.13.“Court” means the Superior Court of California, County of Riverside.

1.14.“Defendant” means named defendant Sierra Pacific Farms, Inc.

1.15.“Defense Counsel” means Higgs Fletcher & Mack.

1.16.“Effective Date” means the date by when the Court enters an order approving the Settlement.

1.17.“Approval Hearing” means the Court’s hearing on the Motion for Approval of the Settlement.

1.18.“Final Judgment” means the Judgment Entered by the Court upon granting Final Approval of the Settlement.

1.19.“Gross Settlement Amount” means $135,000.00 which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay PAGA Representative Service Payment, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.20.“Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.21.“Dismissal” means the Action is dismissed with prejudice by the Court based on approval of the Settlement.

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

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

1.24.“Net Settlement Amount” means the Gross Settlement Amount, less the following payments: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Representative Service Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to PAGA Members.

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

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

1.27."PAGA Penalties" means the total amount of PAGA civil penalties in the amount of $6,750.00 (which is 5% of the Gross Settlement Amount) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($1,687.50) and the 75% to the LWDA ($5,062.50) in settlement of PAGA claims.

1.28."Released PAGA Claims" means the claims being released as described in Paragraph 6.3 below.

1.29."Released Parties" means Defendant as defined in paragraph 1.14 above and includes its former and present directors, officers, shareholders, stockholders, owners, members, attorneys, insurers, agents, fiduciaries, representatives, trustees, administrators, partners, supervisors, employees, predecessors, successors, assigns, subsidiary and parent entities, and affiliated and related companies.

2. RECITALS.

2.1. On June 4, 2024, Plaintiff commenced this Action by filing a Complaint in the matter *Jorge Zepeda Torres v. Sierra Pacific Farms, Inc*., Case No. CVRI2403079 in Superior Court of the State of California, County of Riverside, alleging cause a cause of action against Defendant for Enforcement of Labor Code § 2698 *et seq.* ("PAGA") against Defendant for failure to pay minimum wages; failure to pay overtime wages; failure to provide meal periods; failure to permit rest breaks; failure to reimburse business expenses; failure to provide accurate itemized wage statements; failure to pay wages timely during employment; failure to pay all wages due upon separation of employment. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. Prior to negotiating the Settlement, the Parties obtained Plaintiff's and the PAGA members documents related to their employment and time records, handbooks and policy documents and other employment information obtained through informal discovery.

2.4. In addition to the Action, on March 28, 2024, Plaintiff filed a class action complaint in Riverside County Superior Court asserting nine causes of action: (1) failure to pay minimum and straight time wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to authorize and permit rest periods, (5) failure to timely pay final wages at termination, (6) failure to provide accurate itemized wage statements, (7) failure to indemnify employees for expenditures, (8) failure to produce requested employment records, and (9) unfair business practices ("the Related Action"). On October 14, 2024, the Court granted Sierra Pacific's Petition to Compel Arbitration.

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2.5. Subsequent to the Court's order compelling Plaintiff's individual claim to arbitration, the Parties proceeded in before the American Arbitration Association, Case No. 01-24-0008-7050 ("the Arbitration").

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Defendant promises to pay $135,000.00 and no more as the Gross Settlement Amount. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the payments from the Gross Settlement Amount outlined below and approved by the Court:

3.2.1. To Plaintiff: PAGA Representative Service Payment of not more than $7,500.00 (in addition to any Individual PAGA Payment the PAGA Representative is entitled to receive). Defendant will not oppose Plaintiff's request for a PAGA Representative Service Payment that does not exceed this amount.

3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, in the amount of $45,000.00 and a PAGA Counsel Litigation Expenses Payment of not more than $25,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $10,000.00, the Administrator will allocate the difference to the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $6,250.00 to be paid from the Gross Settlement Amount, with 75% ($5,062.50) allocated to the LWDA PAGA Payment and 25% ($1,687.50) allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties $1,687.50 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

4. SETTLEMENT FUNDING AND PAYMENTS.

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4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are a total of 45 Aggrieved Employees who worked a total of 1,605 PAGA Pay Periods.

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

4.3. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the PAGA Representative Service Payment.

4.3.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the PAGA Members via First Class U.S. Mail, postage prepaid.

4.3.2.The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to PAGA Members (such as 401(k) contributions or bonuses).

5. ESCALATOR CLAUSE. Based on its records, Defendant represents there are 45 Aggrieved Employees who worked a total of 1,605 PAGA Pay during the PAGA Period. If, on final calculation, the total number of Pay Periods worked by Aggrieved Employees during the PAGA period exceeds 1,605 Pay Periods by more than 10% (i.e. more than 160 pay periods), then the GSA will be increased proportionally by the number of pay periods worked in excess of 10% greater than 1,605 (i.e. 1,765). For example, if the final number of total pay periods worked by Aggrieved Employees during the PAGA Period exceeds 1,605 by 15%, the GSA will increase by 5%. If this provision is triggered, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the GSA after the upward adjustment required by this provision is implemented.

6. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff will release claims against all Released Parties as follows:

7.1. Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, unconditionally and forever release, waive, and discharge all demands, damages, debts, liabilities, contracts, obligations, actions, causes of action and claims of every kind, nature, and description whatsoever, whether now known or unknown, suspected or unsuspected including in equity or otherwise, which she ever had or now has against the Released Parties arising or accruing at any time prior to the Effective Date, including, without limitation any matter, cause or claim arising out or related to facts or events occurring prior to the execution of this Agreement, related to Plaintiff's employment with Defendant. The claims released by Plaintiff include but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged

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based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under paragraphs 6.2 and 6.3, below. Claims released by Plaintiff also include but are not limited to: (a) any claims that were or could have been brought under California Labor Code sections 132a, 201, 202, 203, 204, 210, 216, 218, 218.5, 218.6, 225.5, 226, 226.3, 226.7, 432.5, 510, 512, 558, 1050, 1054, 1194, 1194.2, 1197, 1198, 2698 et seq., 2800, et seq., the appliable Industrial Welfare Commission Wage Orders, the Fair Labor Standards Act ("FLSA"), and all related or corresponding federal laws, and all implementing regulations and interpreting guidance; (b) any claims that were or could have been brought under California Corporations Code, and California Business and Professions Code, including but not limited to the California Business and Professions Code section 17200 et seq.; (c) any other causes of action, including those seeking premiums, statutory or civil penalties, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting, whether such causes of action are in tort, contract, equity, statute, or common law; (d) any claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Age Discrimination in Employment Act, and Title VII of the Civil Rights Act of 1964, and (e) any other claims the Plaintiff could have made related to her employment with Defendant. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for: (a) state disability insurance benefits pursuant to the terms of applicable state law; (b) any benefit entitlements vested as of the date of the Plaintiff's termination, pursuant to written terms of any benefit plan; (c) continued participation in certain group benefit plans on a temporary basis pursuant to the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (commonly known as COBRA); and (d) any other claims that may not be waived or released pursuant to statute or other applicable law.. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

7.1.1. 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," including but not limited to, claims under state, or local law; claims for unpaid wages, claims for the failure to pay minimum wages, claims for the failure to pay overtime wages, claims related to missed meal and rest breaks or periods and nonpayment of premium pay for such, failure to comply with itemized employee wage statement provisions, failure to pay timely wages, failure to pay wages due at separation, and the failure to reimburse for employment-related expenses; California Labor Code sections 201, 202, 203, 210, 226, 226.7, 510, 512(a), 558, 558.1, 1174(d), 1194, 1197, 1197.1, and 2802; claims, damages, or causes of action arising under the applicable Industrial Welfare Commission Wage Orders; violates of California Business and Professions Code section 17200, et seq.; and claims, damages, interest, and claims for attorneys' fees.

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7.2. 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 any and all claims for PAGA civil penalties, including under California Labor Code section 2698, et seq. that were alleged in the Operative Complaint or PAGA Notice, or reasonably could have been alleged based on the facts alleged in the Operative Complaint or in the PAGA Notice, and ascertained in the course of the Action which occurred during or arise out of the PAGA Period.

8. **MOTION FOR APPROVAL.** PAGA Counsel will prepare and file a motion for approval ("Motion for Approval") that complies with any and all requirements, rules, and standing orders applicable to the preliminary approval motion in the relevant venue and department.

8.1. Responsibilities of Counsel. PAGA Counsel is solely responsible for obtaining a prompt hearing date for the Motion for Preliminary Approval, filing the Motion for Preliminary Approval with the Court, and for delivering the Court's Preliminary Approval Order to the Administrator.

9. SETTLEMENT ADMINISTRATION.

9.1. Selection of Administrator. The Parties have jointly selected xPand Legal Consulting, LLC to serve as the Administrator and verified that, as a condition of appointment, xPand Legal Consulting, LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. The Parties and their Counsel represent 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.

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

9.2.2 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

9.2.3 Using best efforts to perform as soon as possible, and in no event later than 14 (fourteen) days after receiving the PAGA Data, the Administrator will send to all Class Members identified in the PAGA Data, via first-class United States Postal Service ("USPS") mail, the PAGA Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the PAGA Notice shall prominently estimate the dollar amounts of any Individual PAGA Payment payable to the PAGA Member, and the number of PAGA Pay Periods used to

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calculate these amounts. Before mailing PAGA Notices, the Administrator shall update PAGA Member addresses using the National Change of Address database.

9.3 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.

9.3.1 Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Approval of the Settlement, the Administrator will provide to PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of PAGA Notice, the PAGA Notices returned as undelivered, the re-mailing of PAGA Notices, attempts to locate PAGA Members. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. PAGA Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

10. MOTION FOR APPROVAL. Not later than 16 court days before the calendared Approval Hearing, PAGA Counsel will file in Court, a motion for approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1).

10.1. Dismissal of the Action, Related Action, and Arbitration. Plaintiff agrees that within two days of the settlement being funded by Defendant, Plaintiff will file a request for dismissal of the Action and the Arbitration with prejudice and will dismiss the Related action without prejudice and take any other such steps necessary to effect those dismissals.

11. ADDITIONAL PROVISIONS.

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

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

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Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

11.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required to effectuate the terms of this Agreement, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

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

11.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, and nothing in this Settlement shall be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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

11.8. Agreement Binding on Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the Parties hereto and their respective heirs, trustees, executors, administrators, and successors.

11.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

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

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11.11. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during this Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. The Plaintiff and PAGA Counsel agree the terms of this Settlement, including but not limited to the Gross Settlement Amount and any related amounts, the negotiations leading to this Settlement, and all documents related to the Settlement shall not be discussed with, publicized, or promoted to the public, except as necessary to effectuate and/or enforce the terms of the Agreement. Plaintiff and PAGA Counsel will not publish or publicize the terms of this Settlement or Agreement in any medium, format, or space, and will not issue any press releases or respond to any media inquiries regarding this Action, Agreement, or Settlement. Notwithstanding the foregoing, Plaintiff and PAGA Counsel may represent to the public in general only that "the matter is resolved by the parties." The above does not prohibit PAGA Counsel from referring to the Court's orders in this case approving its motion for attorneys' fees in subsequent declarations in future cases in which they file a motion for attorneys' fees.

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

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

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

To Plaintiff: Wilshire Law Firm, PLC
John Yslas
john.yslas@wilshirelawfirm.com
William M. Pao
william.pao@wilshirelawfirm.com
660 South Figueroa Street, Sky Lobby
Los Angeles, California 90017

To Defendant: Higgs Fletcher & Mack
Michael W. Healy
Justin Carter
401 West A Street, Suite 2600
San Diego, CA 92101
healym@higgslaw.com
cartherj@higgslaw.com

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

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

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

Date: 6/8/2026

PLAINTIFF JORGE ZEPEDA TORRES

Firmado por:

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Jorge Zepeda Torres

Date: 6/12/2026

DEFENDANT SIERRA PACIFIC FARMS, INC.

DocuSigned by:

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By: Scott McIntyre

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Approved as to form and content:

DATED: 6/4/2026

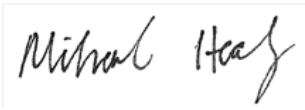
WILSHIRE LAW FIRM PLC



John G. Yslas
William M. Pao
Counsel for Plaintiff
Fredricks Evans, Jr.

DATED: 6/12/26

HIGGS FLETCHER & MACK



Michael W. Healy
Counsel for Defendant
Sierra Pacific Farms, Inc.

EXHIBIT 3



ELM Solutions

2025 Real Rate Report® powered by LegalVIEW® DynamicInsights

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

Wolters Kluwer

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NOTE:
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- Open the PDF in Acrobat and go to Edit > Preferences > Page Display.
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A Letter to Our Readers

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

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

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

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

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

Sincerely,



Brian Jorgenson
Vice President, Product Management
Wolters Kluwer ELM Solutions

Real Rate Report Overview

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

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

What's different with DynamicInsights?

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

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

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

2025 Real Rate Report use considerations

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

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

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

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

Examples of data to consider when reviewing rates:

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

Real Rate Report Overview

Understanding key statistical terms

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

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

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

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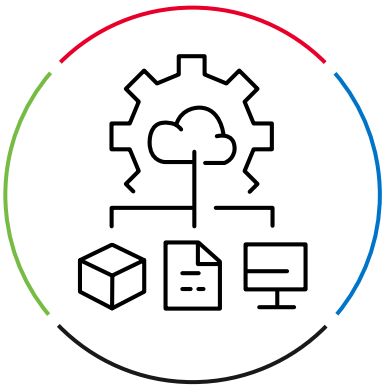
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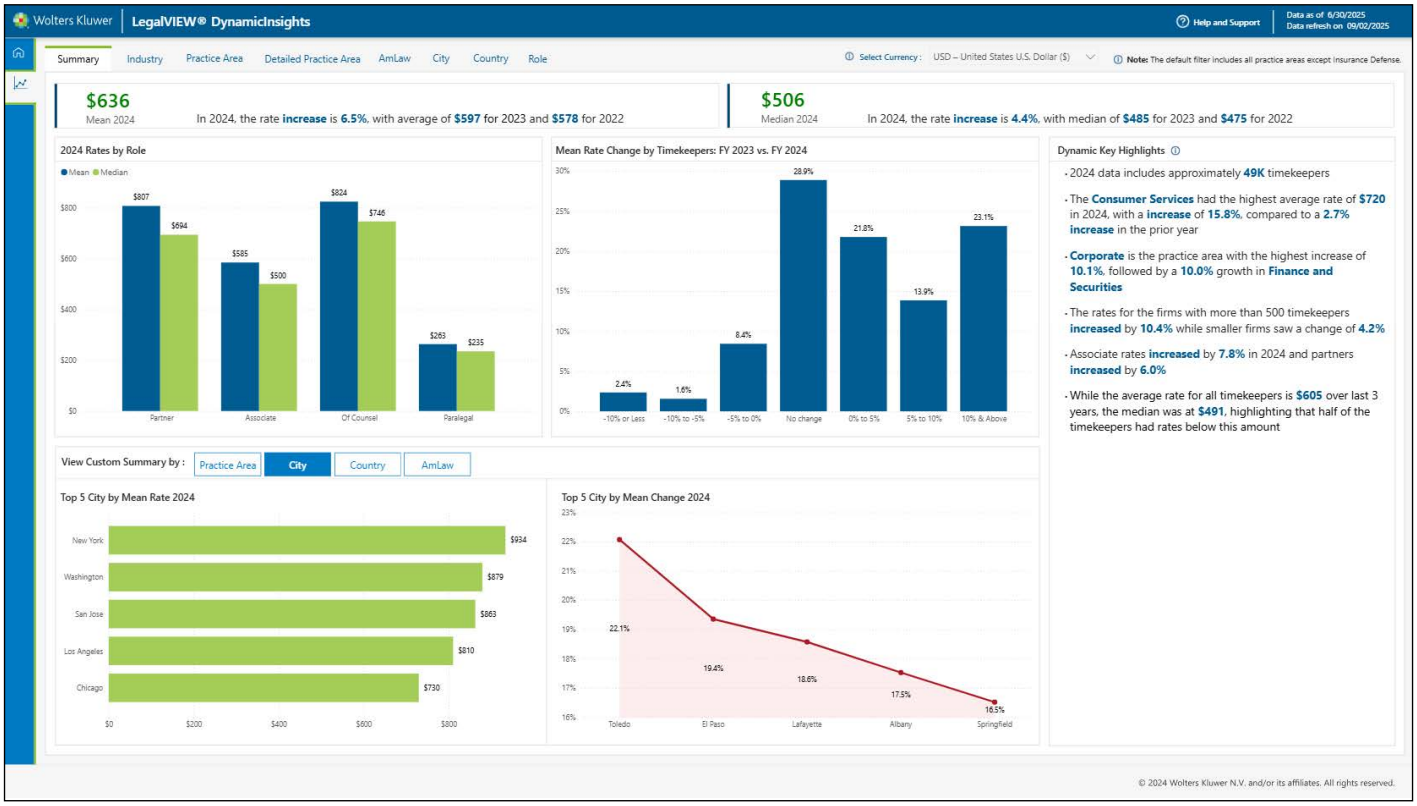
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- **Unmatched Data Power:** Leverages over **$200B in invoice-backed legal spend data** to deliver deep, actionable insights.
- **Strategic Legal Spend Management:** Empowers legal teams to negotiate smarter, plan more effectively, and control costs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





Wolters Kluwer

Section I: High-Level Data Cuts

All data and analysis based on data collected thru Q2 2025

Section I: High-Level Data Cuts

Cities
By Role

2025 Real Rates for Associate and Partner **Trend Analysis - Mean**

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

Section I: High-Level Data Cuts

Cities
By Years of Experience

2025 Real Rates for Partner **Trend Analysis - Mean**

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

Section II: Industry Analysis

All data and analysis based on data collected thru Q2 2025

Section II: Industry Analysis

Consumer Services

By Detailed Practice Area and Matter Type

2025 - Real Rates for Associate and Partner **Trend Analysis - Mean**

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

EXHIBIT 4

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Business & Practice

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

By Roy Strom

Column
June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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



00:00:00

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

To contact the reporter on this story: Roy Strom in Chicago at rstrom@bloomberglaw.com

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

Documents

Trustee's Objection

Related Articles

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EXHIBIT 5

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

Accrual Basis

Type	Date	Num	Memo	Description	Amount	Balance
Mediation Fees						
	6/25/2025	MS1009	The Mediation Collaborative LLC	50% Mediation Fees	$7,500.00	$7,500.00
Total MEDIATION FEES					$7,500.00	7,500.00
Consultant Fees						
	3/5/2026	17473	Berger Consulting Group LLC	8.90 hours of work	$4,227.50	$4,227.50
Total CONSULTANT FEES					$4,227.50	4,227.50
Filing and Service Fees						
	08/06/2024		Riverside Superior Court	Document Purchase	$1.00	1.00
	08/22/2024		Riverside Superior Court	Document Purchase	$6.50	7.50
	11/05/2024		Riverside Superior Court	Document Purchase	$1.00	8.50
	12/16/2024		Riverside Superior Court	Document Purchase	$4.00	12.50
	01/18/2024	69158	Valpro Attorney Services, LLC	Service Fee	$270.00	282.50
	04/04/2024	22558184	One Legal LLC	Complaint	$1,512.08	1,794.58
	04/08/2024	22604814	One Legal LLC	Certificate of Counsel	$108.10	1,902.68
	04/09/2024	22629331	One Legal LLC	POS	$19.30	1,921.98
	04/18/2024	22711295	One Legal LLC	Notice	$19.30	1,941.28
	05/28/2024	22981386	One Legal LLC	CMS	$26.51	1,967.79
	06/06/2024	23051152	One Legal LLC	Complaint	$1,512.08	3,479.87
	06/10/2024	23051153	One Legal LLC	Complaint	$200.75	3,680.62
	06/12/2024	23088071	One Legal LLC	POS	$19.30	3,699.92
	06/11/2024	23089870	One Legal LLC	Notice	$22.60	3,722.52
	06/21/2024	23090020	One Legal LLC	Notice	$26.51	3,749.03
	06/18/2024	23107527	One Legal LLC	Jury Fees	$180.93	3,929.96
	06/17/2024	23124354	One Legal LLC	Opposition	$24.45	3,954.41
	06/14/2024	23124355	One Legal LLC	Opposition	$51.48	4,005.89
	07/09/2024	23283144	One Legal LLC	Reply	$26.51	4,032.40
	07/09/2024	23283145	One Legal LLC	Reply	$51.48	4,083.88
	07/12/2024	23284153	One Legal LLC	POS	$24.45	4,108.33
	07/09/2024	23284154	One Legal LLC	POS	$51.48	4,159.81
	07/23/2024	23367462	One Legal LLC	CMS	$27.54	4,187.35
	08/28/2024	23613993	One Legal LLC	CMS	$23.42	4,210.77
	09/11/2024	23685037	One Legal LLC	Objection	$27.54	4,238.31
	09/09/2024	23685038	One Legal LLC	Objection	$51.48	4,289.79
	04/01/2024		Department of Industrial Relations	PAGA Notice Fee	$75.00	4,364.79
	08/15/2025	CC083125TA-1420	One Legal LLC	Notice	$27.15	4,391.94
	08/15/2025	CC083125TA-1422	One Legal LLC	Notice	$27.15	4,419.09
	10/08/2025	CC103125TA-0660	One Legal LLC	CMS	$26.12	4,445.21
	01/28/2026	CC013126TA-2506	One Legal LLC	Complaint	$1,510.99	5,956.20
	07/09/2026	CC073126TA-0711	One Legal LLC	CMS	$24.73	5,980.93
	07/24/2026	CC073126TA-1992	One Legal LLC	Jury Fees	$181.01	6,161.94
	02/17/2026	VAL16255	Valpro Attorney Services LLC	POS	$45.00	6,206.94
	06/12/2026	CC063026TA-1286	Department of Industrial Relations	PAGA Fee	$75.00	6,281.94
	06/19/2026	CC063026TA-1712	Department of Industrial Relations	PAGA Fee	$75.00	6,356.94
	6/17/2024	PS334368	USA Express Legal & Investigative SVCS	Service Fee	$160.29	4,254.10
	7/9/2024	78672	Valpro Attorney Services, LLC	Service Fee	$135.00	6,652.23
	02/17/2026	VAL16143	Valpro Attorney Services LLC	Service Fee	$114.65	6,766.88
Total FILING AND SERVICE FEES					$6,766.88	6,766.88
Other Costs						
	7/31/2024	41082	California Deposition Reporters	Reporter Fees	$2,850.00	16,383.76
	9/19/2024	7728919	Veritext Corp	Reporter Fees	$1,045.00	17,428.76
	11/14/2024		American Arbitration Association, Inc.		$359.10	17,787.86
	08/05/2026	41082-2	California Deposition Reporters	Reporter Fees	$1,069.79	5,323.89
	12/19/2023	E-3167846	DocuSign	DocuSign Envelope	$1.89	5,325.78
Total OTHER COSTS					$5,325.78	5,325.78
TOTAL					**$23,820.16**	**23,820.16**

EXHIBIT 6

Outlook

Thank you for your Court Complaint Submission.

From DIR PAGA Unit <no-reply@formassembly.com>
Date Sat 11/15/2025 5:30 PM
To Ian Silverstein <ian.silverstein@wilshirelawfirm.com>

11/15/2025 05:29:59 PM

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

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cian.silverstein%40wilshirelawfirm.com%7C28f42e257d6840243e0b08de24afaeed%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C638988534141708568%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=CHoWWMq6YAfTLd4Qg77DEFBTkVFSRbtxWaF%2FJGAsLMo%3D&reserved=0

EXHIBIT 7

Jonathan Valmeo

From: no-reply@formassembly.com
Sent: Friday, October 30, 2026 4:05 PM
To: Jonathan Valmeo
Subject: Thank you for your Proposed Settlement Submission

10/30/2026 04:04:32 PM

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

Item submitted: Proposed Settlement

On 10/30/2026 04:04:32 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1019332-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:
https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cjonathan.valmeo%40wilshirelawfirm.com%7C911b7ceae199475b71c308df36da2fb7%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639289982885536315%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=2FO2Iz11Ij9MQDb1NJOgvKTS9PtU8SQSeX3mXIAuAWg%3D&reserved=0