

WILSHIRE LAW FIRM, PLC
Tyler J. Woods (SBN 232464)
tyler.woods@wilshirelawfirm.com
James Yoo (SBN 310680)
james.yoo@wilshirelawfirm.com
Alan Wilcox (SBN 287476)
alan.wilcox@wilshirelawfirm.com
Conor J.D. Gomez, Esq. (SBN 337395)
conor.gomez@wilshirelawfirm.com
660 South Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

D'MAGGIO ANGELENO DAVIS-MORALES,
individually, and on behalf of all others
similarly situated,

Plaintiff,

v.

CALL GROCERY, INC., a California
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 37-2021-00046012-CU-OE-CTL
Assigned to Hon. Blaine K. Bowman, Dept.
C-74

Complaint filed: October 28, 2021
FAC filed: November 27, 2024
Trial date: Not Set

CLASS & PAGA ACTION

**DECLARATION OF ALAN WILCOX IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

*[Filed concurrently with: Plaintiff's Notice of
Motion and Motion for Preliminary Approval of
Class Action Settlement]*

PRELIMINARY APPROVAL HEARING

Date: October 30, 2026
Time: 8:30 a.m.
Dept: C-74

1 I, Alan Wilcox, declare as follows:

2 1. I am admitted and in good standing to practice as an attorney in the State of
3 California. I am an Attorney at Wilshire Law Firm, PLC (“WLF”) and counsel of record for
4 plaintiff D’Maggio Angeleno Davis-Morales (“Plaintiff” or “Class Representative”). I, along with
5 the above-captioned attorneys of WLF (inclusively “Class Counsel”), have reviewed the case files
6 for this matter as routinely kept by WLF in the course of litigation. Based upon the information
7 available to Class Counsel through WLF’s record-keeping processes, I am competent to make this
8 declaration (this “Declaration”). This Declaration is submitted concurrently with and in support
9 of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement (the “Motion”).

10 CASE BACKGROUND

11 2. This is matter involves claims relating to a wage and hour class action and Labor
12 Code Private Attorneys General Act of 2004 (Lab. Code § 2699, *et seq.*) (“PAGA”) action between
13 Plaintiff and Defendant Call Grocery, Inc. (“Defendant,” and together with Plaintiff, the “Parties”).
14 Plaintiff and the putative class members are all persons who are employed or have been employed
15 by Call Grocery, Inc. in California as “hourly employees” at any point during the Class Period.
16 (each a “Class Member” and collectively the “Class”). The Class Period is from May 3, 2017,
17 through July 15, 2024 (the “Class Period”). Defendant is a grocery store that has been in operation
18 since 1971.

19 3. Plaintiff alleges that Defendant’s payroll, timekeeping, and wage and hour practices
20 resulted in Labor Code violations. Plaintiff alleges that Defendant failed to pay for all hours
21 worked. Specifically, Plaintiff alleges that Defendant failed to authorize and permit rest periods,
22 timely pay final wages, furnish accurate wage statements, and indemnify employees for
23 expenditures.

24 4. Based on these allegations, on October 28, 2021, Plaintiff filed a putative wage and
25 hour class action complaint against Defendant for: (1) failure to pay minimum and straight time
26 wages (Labor Code §§ 204, 1194, 1194.2, and 1197); (2) failure to pay overtime wages (Labor
27 Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and 512); (4)
28 failure to authorize and permit rest periods (Labor Code § 226.7); (5) failure to timely pay wages

1 upon separation of employment (Labor Code §§ 201-202); (6) failure to provide accurate itemized
2 wage statements (Labor Code § 226); (7) failure to indemnify employees for expenditures (Labor
3 Code § 2802); and (8) unfair business practices (Business and Professions Code § 17200, *et seq.*).
4 Plaintiff sent a notice to Defendant and the California Labor and Workforce Development Agency
5 (“LWDA”) alleging similar wage and hour violations pursuant to the PAGA on June 26, 2024. On
6 November 27, 2024, Plaintiff filed a first amended complaint which added a cause of action for
7 civil penalties under PAGA (the “Operative Complaint” and together with the other complaints,
8 the “Action”).

9 DISCOVERY, INVESTIGATION, AND SETTLEMENT

10 5. Following the filing of the Action, the Parties exchanged information, data, and
11 documents before going to mediation. Defendant produced a sample of time and pay records for
12 Class Members. Defendant also provided documents of its wage and hour policies and practices
13 during the Class Period and information regarding the total number of current and former
14 employees in its informal discovery responses. The Parties have engaged in sufficient informal
15 discovery and investigation to assess the relative merits of the claims and contentions of the Parties.

16 6. After reviewing documents regarding Defendant’s wage and hour policies and
17 practices and analyzing Defendant’s timekeeping and payroll records, Class Counsel was able to
18 evaluate the probability of class certification, success on the merits, and Defendant’s maximum
19 monetary exposure for all claims. Class Counsel also investigated the applicable law regarding the
20 claims and defenses asserted in the Action. Class Counsel also investigated the applicable law
21 regarding the claims and defenses asserted in the Action. Class Counsel reviewed these records
22 and utilized a third-party consultant to prepare a damages analysis prior to mediation.

23 SETTLEMENT NEGOTIATIONS

24 7. On May 15, 2023, the Parties participated in private mediation with experienced
25 class action mediator Francis J. Ortman, III, Esq. The settlement negotiations were at arm’s length
26 and, although conducted in a professional manner, were adversarial. The Parties went into the
27 mediation willing to explore the potential for a settlement of the dispute, but each side was also
28 prepared to litigate their position through trial and appeal if a settlement had not been reached.

1 8. After extensive negotiations and discussions regarding the strengths and
2 weaknesses of Plaintiff's claims and Defendant's defenses, the Parties reached a settlement, the
3 material terms of which are encompassed within the Settlement Agreement. Attached as **Exhibit**
4 **1** is a true and correct copy of the Joint Stipulation of Class Action Settlement and Release (the
5 "Settlement" or "Settlement Agreement").

6 9. Class Counsel submitted the proposed Settlement to the LWDA before filing the
7 Motion. Attached as **Exhibit 2** is a true and correct copy of proof of the LWDA submission.

8 10. The Parties requested several bids from experienced class action settlement
9 administrators to serve as the settlement administrator for this Settlement. The Parties accepted the
10 bid of CPT Group, Inc., (the "Claims Administrator") which was the lowest out of the multiple
11 bids sought. The Claims Administrator has multiple years of experience in the field of class action
12 administration, particularly in the wage and hour arena. In its bid, the Claims Administrator agreed
13 to cap its costs at \$30,000.00 for 2,225 Class Members (the "Claims Administration Fees and
14 Costs"). The Claims Administrator's bid accounts for serving the class notice in English and
15 Spanish. The Administrator will undertake its best efforts to ensure that the Class Notice of
16 Settlement attached as **Exhibit A** to the Settlement Agreement (the "Class Notice of Settlement")
17 is provided to the current addresses of Class Members, including conducting a national change of
18 address search and re-mailing the Class Notice of Settlement to updated addresses. A true and
19 correct copy of the Claims Administrator's bid is attached as **Exhibit 3**.

20 11. Plaintiff does not have any interest, financial or otherwise, in the Claims
21 Administrator and the recipient of any residual Settlement funds.

22 12. No one at WLF (meaning the law firm itself and anyone employed at the law firm)
23 has any interest, financial or otherwise, in the Claims Administrator and the recipient of any
24 residual Settlement funds.

25 13. WLF has no fee-splitting agreement with any other counsel in this case.

26 **THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE**

27 14. Class Counsel has conducted a thorough investigation into the facts of the Action.
28 Based on the foregoing discovery and their own independent investigation and evaluation, Class

Counsel is of the opinion that the Settlement is fair, just, reasonable, and adequate and is in the best interests of the Class Members in light of all known facts and circumstances, the risk of significant delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial risk, and appellate risk.

15. Based on an analysis of the facts and legal contentions in this case, documents and information from Defendant, Class Counsel evaluated Defendant's maximum exposure. We took into account the risk of not having the claims certified and the risk of not prevailing at trial, even if the claims are certified. With the assistance of a statistics consultant, Class Counsel created a damages model to evaluate the realistic range of potential recovery for the Class using the data Defendant provided, including: Class Member timekeeping and payroll records, the number of Class Members, the number of Qualifying Week¹, the number of Aggrieved Employees², the relevant PAGA Period³, the number of PAGA pay periods, and average total compensation of the Class. The damages model is based on the following benchmarks:

Total Class Members: 2,225

Terminated Class Members during 3-year statute of limitations period: 858

Total Workweeks: 120,706

PAGA Pay Periods: 60,353

Aggrieved Employees: 1,396

Avg. Hourly Rate: \$18.35

16. Based on Plaintiff's discovery and investigation, Class Counsel reached the conclusion that Defendant had a policy and practice of: requiring its employees to work "off-the-clock" prior to clocking in for the workday, during meal periods, and after clocking out for the

¹ "Qualifying Week" shall mean any workweek during the Class Period in which a Class Member provided labor or services for Defendant in California during the Class Period for remuneration for one or more hours or any fraction thereof.

² "Aggrieved Employee(s)" means all persons who are employed or have been employed by Defendant Call Grocery, Inc. in California as "hourly employees" at any point during the PAGA Period.

³ "PAGA Period" is from June 26, 2023, through preliminary approval of this Settlement.

workday, time which it did not pay for; not providing its employees with California compliant meal and rest periods, which it did not pay appropriate premiums for; and failing to reimburse its employees for business-related expenses. Defendant denies these claims.

17. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the Class, we estimate that Defendant's maximum potential exposure by assuming that all unpaid work time should have been paid at the overtime rate, not minimum or straight time wages and we assumed that Defendant is liable for 0.5 hours of unpaid worktime per workweek. This results in an estimate of \$1,661,216.33 (120,706 workweeks $\times$ \$18.35 hourly average rate $\times$ 1.5 overtime rate $\times$ 0.5 hours of unpaid work per week) but we discounted this figure by 80% to account for the difficulty of prevailing on a motion for class certification and a trial on the merits because liability depends on whether Defendant knew or should have known that Class Members were working off-the-clock, yielding a realistic damage estimate of \$332,243.27.⁴

18. With respect to the meal period claim, Plaintiff alleges that Defendant required Plaintiff and similarly situated Class Members to either work in lieu of taking meal periods, or their meal periods were untimely or interrupted. Our consultant analyzed Defendant's timekeeping records and opined that approximately 60% of all meal breaks had violations of short, missed, or no meal periods (accounting for waivable shifts and meal period premiums paid). Potential liability for the meal period claim is \$6,379,070.69 (120,706 workweeks $\times$ 60% $\times$ \$18.35 $\times$ reasonable estimated 4.8 shifts per workweek). We discounted this figure by 75% to account for the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit, yielding a realistic damage estimate of \$1,594,767.67.

19. With respect to the rest period claim, Plaintiff alleges that Defendant required them and similarly situated class members to work in lieu of taking rest periods, or their rest periods

⁴ An 80% discount for risk at certification and trial is reasonable because the Judicial Council of California found that only 21.4% of all class actions were certified either as part of a settlement *or* as part of a contested certification motion. *See Findings of the Study of California Class Action Litigation, 2000-2006*, available at [http:// www.courts.ca.gov/documents/class-action-lit-study.pdf](http://www.courts.ca.gov/documents/class-action-lit-study.pdf).

1 were interrupted. Assuming a 50%⁵ violation rate for the class period based on Plaintiff's and other
2 class members' experience working for Defendant, Defendant's potential liability for the rest
3 period claim is \$5,315,892.24 (120,706 workweeks $\times$ 50% $\times$ \$18.35 $\times$ reasonable estimated 4.8
4 shifts per workweek); however, we discounted this figure by 90% to account for the difficulty of
5 certifying and proving rest period claims, particularly because rest periods do not have to be
6 recorded, and to account for the possibility of class members voluntarily choosing to forego a rest
7 period, yielding a realistic damage estimate of \$531,589.22.

8 20. Plaintiff also alleges that Defendant failed to reimburse necessary business
9 expenses. Plaintiff and similarly situated Class Members were required purchase slacks for the job
10 and purchase additional work uniform shirts because they were only provided one shirt, even
11 though they were obligated to wear that shirt all day, every day. For purposes of calculating
12 Defendant's liability based on a best-case scenario for Plaintiff and the Class, we estimated that
13 Defendant were liable to each Class Member for \$10.00 per Class Member in unreimbursed
14 expenses, for a total amount of \$22,250.00 (\$10.00 $\times$ 2,225); however, we discounted this figure
15 by 50% to account for the difficulty of certifying and proving expense reimbursement claims,
16 yielding a realistic damage estimate of \$11,125.00.

17 21. In sum, we estimated that Plaintiff's maximum recovery for the off-the-clock claim,
18 meal period violations, rest period violations, and failure to reimburse expenses is \$13,378,429.26,
19 but, after factoring in the risk and uncertainty of prevailing at certification and trial, we estimate
20 that Plaintiff's realistic estimated recovery for the non-penalty claims is \$2,469,725.16.

21 22. With respect to Plaintiff's derivative claims for statutory and civil penalties, while
22 Defendant's maximum potential liability for waiting time penalties is \$3,542,467.50 based on
23 approximately 858 terminated class members during the 3-year statute of limitations period (858
24 $\times$ \$18.35 per hour $\times$ 7.50 hours per day $\times$ 30 days); inaccurate wage statements is \$3,017,650.00
25 based on approximately 1,396 Aggrieved Employees who worked approximately 60,353 PAGA
26 Pay Periods within the 1-year statute of limitations period (\$50.00 per pay period $\times$ 60,353 pay
27

28 ⁵ We assume a 50% violation rate due to rest breaks being unrecorded and it is a "coin toss"
as to what a jury might find given the they-said they-said nature of these claims.

periods); and PAGA violations of \$6,035,300.00 based on the Court assessing a \$100 penalty for initial violations for all 60,353 pay periods within the 1-year statute of limitations period, we believe that it would be unrealistic to expect the Court to award the full \$12,595,417.50 in penalties given Defendant's defenses, the contested nature of Plaintiff's claims, and the discretionary nature of penalties. Considering that, the underlying claims are realistically estimated to be \$1,259,541.75, and such a disproportionate award would also raise due process concerns. Weighing these factors and applying a discount of 50% to account for the risk and uncertainty of prevailing at trial and the Court's discretionary ability to lower penalties, we arrived at \$629,770.88 for statutory and civil penalties.

23. Using these estimated figures, Plaintiff predicted that the realistic maximum recovery for all claims, including penalties, would be \$3,099,496.04. This means that the \$1,500,000.00 settlement figure represents approximately 48% of the realistic maximum recovery ($\$1,500,000.00 \div \$3,099,496.04$). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class.⁶ Indeed, because of the Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

24. While Plaintiff is confident in the merits of their claims, a legitimate controversy exists as to each cause of action. Plaintiff also recognizes that proving the amount of wages due to each Class Member would be an expensive, time-consuming, and uncertain proposition.

25. This Settlement avoids the risks and the accompanying expenses of further litigation. Although the Parties had engaged in significant amount of investigation, informal discovery and Class-wide data analysis, the Parties had not yet completed formal written discovery. Plaintiff intended to depose corporate officers and managers of Defendant. Moreover, preparation for a class certification and a trial remained for the Parties as well as the prospect of appeals in the

⁶ See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019) 2019 WL 3943859 at *8 (granting preliminary approval where the proposed allocation to settle class claims was between 9.53 percent of Plaintiffs' maximum recovery); *Bravo v. Gale Triangle, Inc.* (C.D. Cal. Feb 16, 2017) 2017 WL 708766 at * 10 (finding that "a settlement for fourteen percent recovery of Plaintiffs' maximum recovery is reasonable"); *In re Omnivision Techs., Inc.* (N.D. Cal. 2008) 559 F.Supp.2d 1036, 1042 (approving settlement amount that "is just over 9% of the maximum potential recovery asserted by either party.").

wake of a disputed class certification ruling for Plaintiff and/or adverse summary judgment ruling. Had the Court certified any claims, Defendant could move to decertify the claims. As a result, the Parties would incur considerably more attorneys' fees and costs through trial.

26. As a result of the Settlement, the net settlement amount to be split amongst the Class is the Gross Settlement Amount minus:

- a. \$500,000.00 for Class Counsel's attorneys' fees ("Class Counsel Fees Payment");
- b. \$30,000.00 for Class Counsel's litigation expenses ("Class Counsel Costs Payment");
- c. up to \$30,000.00 for the Claims Administration Fees and Costs;
- d. \$75,000.00 for the PAGA penalties (the "PAGA Penalties"), with 75% (\$56,250.00) allocated to pay to the LWDA (the "PAGA Payment") and 25% (\$18,750.00) allocated to pay to all persons who are employed or have been employed by Defendant Call Grocery, Inc. in California as "hourly employees" at any point during the PAGA Period (the "Individual PAGA Payment"); and
- e. \$10,000.00 for D'Maggio Angeleno Davis-Morales for the service award to Plaintiff for serving as the Class Representative (the "Service Payment") (the "Net Settlement Amount").

27. The Net Settlement Amount is estimated to be \$855,000.00 for the Class. As a result, each Class Member is eligible to receive an average net benefit of approximately \$384.27. When considering the risks of litigation, the uncertainties involved in achieving class certification, the burdens of proof necessary to establish liability, the probability of appeal of a favorable judgment, it is clear that the Settlement is within the "ballpark" of reasonableness, and preliminary settlement approval is appropriate.

CLASS REPRESENTATIVE'S SERVICE PAYMENT IS REASONABLE

28. Class Counsel represents that Plaintiff devoted a great deal of time and work assisting Class Counsel in the Action.

29. Throughout the Action, Plaintiff has cooperated immensely with Class Counsel and

1 has taken many actions to protect the interests of the Class. Plaintiff provided valuable information
2 regarding the off-the-clock, meal period, and rest period claims. Plaintiff also informed Class
3 Counsel of developments and information relevant to the Action, participated in decisions
4 concerning the Action, and Plaintiff was available to answer questions during the mediation.
5 Before Class Counsel filed the Action, Plaintiff provided Class Counsel with documents regarding
6 the claims alleged in the Action. The information and documentation provided by Plaintiff was
7 instrumental in establishing the wage and hour violations alleged in the Action, and the recovery
8 provided for in the Settlement Agreement would have been impossible to obtain without Plaintiff's
9 participation.

10 30. At the same time, Plaintiff faced many risks in serving as the Class Representative
11 in the Action. Plaintiff faced actual risks with their future employment since being named on public
12 record in an employment lawsuit could also very well affect a person's ability to procure future
13 employment. Furthermore, as part of the Settlement, Plaintiff is executing general release of all
14 claims against Defendant, which is broader than that of the other Class Members resulting in
15 greater financial opportunity cost.

16 31. In turn, Class Members will now have the opportunity to participate in the
17 Settlement, which reimburses them for alleged wage violations they may have never known about
18 on their own or been willing to pursue on their own. If the Class Members would have each tried
19 to pursue their legal remedies on their own, that would have resulted in each Class Member
20 expending a significant amount of their own monetary resources and time, which were obviated
21 by Plaintiff serving as Class Representative on behalf of the other Class Members.

22 32. In the final analysis, this Action would not have been possible without the aid of
23 Plaintiff, who put their own time and effort into the Action, sacrificed the value of their own
24 individual claims, and placed assumed risks for the sake of the Class. The Service Payment is a
25 relatively small amount of money given the time and effort Plaintiff put into the Action and in
26 comparison to service awards granted to named plaintiffs in similar class actions. The Service
27 Payment is therefore reasonable to compensate Plaintiff for their active participation in this lawsuit.

28 \\\

1 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

2 33. I believe that the Class Counsel Fees Payment and Class Counsel Costs Payment
3 are reasonable. The fee percentage requested is less than that charged by Class Counsel for most
4 employment cases. Class Counsel invested significant time and resources into the Action, with
5 payment deferred to the end, and then, of course, contingent on the outcome.

6 34. It is further estimated that Class Counsel will need to expend at least another 10 to
7 15 hours to monitor the process leading up to the final approval and payments made to the Class.
8 Class Counsel also bears the risk of taking the necessary actions if Defendant fails to pay.

9 35. The risk to Class Counsel has been very significant, particularly if we would not be
10 successful in pursuing this Action. In that case, Class Counsel would have been left with no
11 compensation for all the time taken in litigating this Action. Indeed, Class Counsel has taken on a
12 number of class action cases that have resulted in thousands of attorney hours being expended and
13 ultimately having certification denied or the defendants company going bankrupt. The contingent
14 risk in these types of cases is very real and they do occur regularly. Furthermore, Class Counsel
15 was precluded from focusing on, or taking on, other cases which could have resulted in a larger,
16 and less risky, monetary gain.

17 36. Because most individuals cannot afford to pay for representation in litigation on an
18 hourly basis, WLF represents virtually all of its employment law clients on a contingency fee basis.
19 Pursuant to this arrangement, WLF is not compensated for our time unless we prevail at trial or
20 successfully settle our clients' cases. Because Class Counsel is taking the risk that we will not be
21 reimbursed for our time unless our client settles or wins his or her case, we cannot afford to
22 represent an individual employee on a contingency basis if, at the end of our representation, all we
23 are to receive is our regular hourly rate for services. It is essential that we recover more than our
24 regular hourly rate when we win or settle to remain in practice and continue representing other
25 individuals in civil rights employment disputes.

26 PLAINTIFF'S COUNSEL'S EXPERIENCE AND QUALIFICATIONS

27 37. WLF was selected by Best Lawyers and U.S. News & World Report as one of the
28 nation's Best Law Firms for every year since 2020 and is comprised of more than 100 attorneys

1 and over 600 employees. WLF is actively and continuously practicing in employment litigation,
2 representing employees in both individual and class actions in both state and federal courts
3 throughout California.

4 38. WLF is qualified to handle this Action because its attorneys are experienced in
5 litigating Labor Code violations in both individual, class action, and representative action cases.
6 WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as
7 well as class actions involving consumer rights and data privacy litigation.

8 CLASS COUNSEL’S EXPERIENCE

9 Tyler J. Woods’s Qualifications

10 39. Tyler J. Woods graduated from the University of California, Davis in 1999 with a
11 Bachelor of Arts degree in Communications with minors in Spanish and Psychology. He received
12 by Juris Doctor from USC Gould School of Law in 2004.

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

26 41. In late March 2024, Mr. Woods left Fisher Phillips and joined WLF, to represent
27 plaintiff employees. He has been and is handling many wage and hour class and representative
28 actions litigating such matters on behalf of plaintiff employees in numerous Superior Courts. From

1 matters representing both plaintiff and defendants, he has successfully mediated the resolution of
2 many wage and hour class, collective, and representative actions.

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

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

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

16 45. His hourly rate is reasonable given his experience and when compared to other
17 similarly experienced attorneys in this practice and geographic location. The reasonableness
18 of Class Counsels' hourly rates is also supported by several surveys of legal rates, including the
19 following:

- 20 (a) The 2022 Real Rate Report survey compiled by Wolters Kluwer, which
21 presents the real market rates of Los Angeles area attorneys who practice
22 litigation. For that category, the third quartile 2022 rate was \$1,045 per hour
23 for partners and \$855 for associates. Likewise, page 32 of the Report
24 describes the rates charged by 183 Los Angeles partners with "21 or more
25 years of experience" and "Fewer than 21 years." For those categories, the
26 third quartile Los Angeles partner rate in 2022 were \$1,133 per hour for 21
27 or more years and \$1,075 for attorneys with fewer than 21 years. A true and
28 correct copy of portions of the 2022 Real Rate Report is attached hereto

as Exhibit 4.

- (b) 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 5.

Alan Wilcox’s Qualifications

46. Alan Wilcox obtained his Bachelor’s degree from the University of California, Berkeley in 2007. He graduated from Pepperdine University’s School of Law and became a member of the California State Bar in 2012.

47. Throughout Mr. Wilcox’s career up until his employment at WLF, he was essentially continuously employed as a civil litigation attorney at multiple law firms. He has represented clients in both state and federal Courts in a wide variety of matters, including contract disputes, wrongful foreclosure, unlawful detainer, divorce, product defect, tort, and employment.

48. From 2014 to the present, Mr. Wilcox has been exclusively practicing complex civil litigation representing plaintiff employees in employment matters. In that time, he has become an expert in the field. Mr. Wilcox has handled both individual wrongful discharge and collective wage and hour actions, with class action and PAGA matters including *Flores v. Aqua Terra Culinary, Inc.*, Monterey Superior Court Case No. 17CV002672, *Garcia v. Construction Innovations Group, LLC*, Sacramento Superior Court Case No. 34-2020-00285239, *Kim v. Sheraton Operating Corp.*, Central District of California Case No. 2:17-cv-09247-FMO-E, *Pease v. Wattrans, Inc.*, San Bernardino Superior Court Case No. CIVDS1919832, and *Lachman v. Berlitz Languages, Inc.*, Los Angeles Superior Court Case No. 19STCV01533, among others.

49. Mr. Wilcox used his programming skills to create complex systems for automatically performing in-depth analyses of employment records to identify wage and hour violations in both individual and collective action settings. He has tried several matters, including multiple employment cases and multiple non-employment cases. His expertise has resulted in

1 obtaining multiple millions of dollars for his clients. He strives to represent individuals struggling
2 to enforce their rights and recover what is owed to them from employers who violate California
3 law. At WLF, he is a Senior Attorney charged with taking resolved class action and PAGA matters
4 and ensuring that they are carried through the approval and distribution process in an efficient
5 manner and in compliance with Court orders.

6 50. Mr. Wilcox's current hourly billing rate is \$950.00 per hour. This hourly rate is
7 reasonable and appropriate, given his background and experience. He is generally familiar with
8 hourly rates charged by attorneys in both Southern and Northern California whose training and
9 experience are similar, and believes this rate is competitive in both markets for attorneys.

10 51. Indeed, a commonly used metric for determining reasonable attorney fee rates based
11 upon years of experience, the Laffey Matrix (<http://www.laffeymatrix.com/see.html>), indicates
12 that it would be reasonable for Mr. Wilcox to charge approximately \$948.00 per hour. Prior to
13 taking on a Senior Attorney role at WLF, for multiple years his hourly billing rate stagnated at
14 \$650.00 per hour, following Judge Upinder S. Kalra granting the plaintiff's post-trial motion for
15 attorneys' fees and approving hours and rate billed in the matter of *Parker v. Innovative Speech*
16 *Therapy and Communications Servs., Inc.*, Los Angeles Superior Court Case No. 19STCV36310,
17 and when Judge Kory Mathewson approved Mr. Wilcox's fee rate for a default judgment in *Segura*
18 *v. Beyond Staffing Solutions, Inc.*, San Bernardino Superior Court Case No. CIVDS1908672.
19 While working for WLF, Mr. Wilcox has been repeatedly approved as class counsel and his hourly
20 billing rate has been approved for many class and PAGA action settlements.

21 Conor J.D. Gomez's Qualifications

22 52. Conor J.D. Gomez is a fifth-year Settlement Attorney at WLF. Mr. Gomez is
23 responsible for finalizing resolved class action and PAGA matters, ensuring that they are carried
24 through the approval and distribution process in an efficient manner and in compliance with court
25 orders. He graduated from the University of California, Los Angeles School of Law in May 2020.
26 Mr. Gomez passed the California Bar Examination on his first attempt and was admitted to practice
27 in May 2021. He is admitted to practice law in the State of California and before the Northern
28 District of California. Mr. Gomez also serves as an adjunct professor at the Thomas Jefferson

1 School of Law in San Diego, California, and he acts as a Bar Exam Preparation mentor to law
2 students throughout San Diego. He graduated from the University of California, San Diego in 2017
3 with a Bachelor of Arts in Sociology, concentrating in Law & Society. During law school, Mr.
4 Gomez obtained credentials in course design, teaching innovation and technology, and business
5 administration from the University of California, Irvine. He was awarded the Masin Family
6 Foundation Gold Award in recognition of his academic performance in law school. Mr. Gomez
7 began his legal career representing both for-profit and non-profit/tax-exempt organizations. He
8 draws on that experience to achieve strong results for his clients, having represented businesses
9 and understanding their perspectives. He has practiced plaintiff-side employment litigation for
10 several years and has a strong record of securing settlements in individual wage-and-hour and
11 FEHA matters, with results regularly reaching the six-figure range. Throughout his career, Mr.
12 Gomez has worked with multiple firms, taking on increasing responsibility and mentoring dozens
13 of new attorneys in employment law fundamentals and litigation strategies to achieve efficient and
14 favorable outcomes. He transitioned into his current role at WLF to capitalize on his strengths in
15 settlement negotiations, workflow optimization, and drafting clear and concise agreements and
16 motions, with the goal of achieving maximal results for larger classes of workers. Mr. Gomez has
17 served on the board of directors for local arts organizations and regularly hosts workshops
18 throughout Southern California. He has guest lectured at the University of California, Irvine on
19 various legal topics. He is also a certified mediator and serves on the California Lawyers for the
20 Arts mediation panel, where he volunteers his time to mediate a wide range of disputes, including
21 artistic business and ownership matters as well as employment disputes. Mr. Gomez has been
22 appointed as class counsel in wage-and-hour matters throughout California, including most
23 recently in *Canady v. Sheffield Platers, Inc.*, 37-2024-00014952-CU-OE-CTL; Motion for
24 Preliminary Approval Granted March 4, 2026; *Molina v. CCN Framing, Inc.*, 22STCV10819;
25 Motion for Preliminary Approval Granted on March 4, 2026; and *Lucero v. Nissho of California,*
26 *Inc.*, Case No. 37-2021-00001528-CU-OE-CTL, consolidated with Case No. 37-2022-00012006-
27 CU-OE-CTL; Motion for Final Approval granted on February 20, 2026.

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53. Justin F. Marquez is a former Senior Partner at WLF who was actively involved in the litigation and resolution of this Action from its inception through December 2024. He graduated from University of California, Los Angeles’s College Honors Program in 2004 with Bachelor of Arts degrees in History and Japanese, magna cum laude and Phi Beta Kappa. He graduated from Notre Dame Law School with a Juris Doctorate. He was admitted to the State Bar of California in February 2019. His practice focused primarily on advocating for the rights of consumers and employees in class action litigation and appellate litigation. He received numerous awards for his legal work: from 2017 to 2020, Super Lawyers selected him as a “Southern California Rising Star,” and from 2022 to 2025, he was selected as a “Southern California Super Lawyer”; he was selected as one of the “Best Lawyers in America” from 2023 to 2025; and in 2024, he, along with his colleagues at WLF, received a CLAY (California Lawyer Attorneys of the Year) award for their work on a false advertising case against Apple which ultimately led to a \$25 million settlement. He also was selected to speak at multiple CELA conferences throughout his career – in 2019, he spoke on the topic of manageability of class actions at CELA’s 2019 Advanced Wage & Hour Seminar, and in 2024, he spoke on the topic of dealings with multiple cases against the same defendant at CELA’s 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead in negotiating class action settlements worth over \$10 million in gross recovery to class members for each year since 2020, including over \$37.5 million in 2022 and over \$75 million in 2023.

Arsiné Grigoryan's Qualifications

54. Arsiné Grigoryan is a former Associate Attorney at WLF who was actively involved in the litigation and resolution of this matter from its inception through December 2024. She earned two Bachelor of Arts degrees from the University of California, Berkeley in (1) Political Science with an emphasis on international relations and (2) Media Studies. She obtained her Juris Doctor degree from Southwestern Law School. She is presently admitted to practice in all state courts of California (admitted in 2017) and before all federal district courts in California. The focus of her practice at WLF was on class action wage-and-hour law, including Private Attorneys General Act

1 of 2004 (“PAGA”) matters. Prior to joining WLF, she worked at a law firm specializing in wage-
2 and-hour class action cases. She handled more than a dozen active class action matters currently
3 pending and prosecuting multiple PAGA collective action matters in various courts throughout the
4 State of California.

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

7 Executed on June 4, 2026, in Santa Rosa, California.

8
9 
10 Alan Wilcox

Exhibit 1

WILSHIRE LAW FIRM

Tyler Woods (SBN 232464)

tyler.woods@wilshirelawfirm.com

James Yoo (SBN 310680)

james.yoo@wilshirelawfirm.com

Alan Wilcox (SBN 287476)

alan.wilcox@wilshirelawfirm.com

660 S. Figueroa Street, Sky Lobby

Los Angeles, California 90017

Telephone: (213) 381-9988

Facsimile: (213) 381-9989

Attorneys for Plaintiff D'MAGGIO
ANGELENO DAVIS-MORALES

DWIN LEGAL, APC

Evan Dwin (SBN 241027)

2121 Palomar Airport Road, Suite 160

Carlsbad, CA 92011

Tel: (760) 536-6471

Fax: (760) 585-4649

Attorneys for Defendant
CALL GROCERY, INC.

SUPERIOR COURT OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN DIEGO – CENTRAL DIVISION

D'MAGGIO ANGELENO DAVIS-
MORALES, an individual;

Plaintiff,

vs.

CALL GROCERY, INC.; and DOES 1 through
20, inclusive;

Defendants.

Case No. 37-2021-00046012-CU-OE-CTL

**JOINT STIPULATION OF
CLASS ACTION SETTLEMENT
AND RELEASE**

This Joint Stipulation of Class Action Settlement and Release (hereinafter "Stipulation of Settlement" or "Settlement") is made and entered into by and between Plaintiff D'Maggio Angeleno Davis Morales ("Plaintiff"), on behalf of himself and the Settlement Class (as defined below), and Defendant Call Grocery, Inc. ("Defendant"). Plaintiff and Defendant will be referred to collectively as the "Parties."

This Settlement, subject to the terms and conditions hereof and the Court's approval, shall be binding on Plaintiff and the Settlement Class (as defined below) and on Defendant.

THE PARTIES STIPULATE AND AGREE AS FOLLOWS.

A. AMENDED COMPLAINT

Prior to the filing of the Motion for Preliminary Approval, Plaintiff shall file an Amended Complaint to include claims under the California Private Attorney General Act, Labor Code section 2898 *et seq.* ("PAGA"), seeking recovery of penalties for any and all alleged violations of the Labor Code alleged in the initial Complaint. Plaintiff shall comply with all prerequisites for filing a complaint under PAGA.

B. THE SETTLEMENT

Under the terms of the Settlement, and pending an order granting final approval pursuant to Rule 3.769 of the California Rules of Court, Defendant will pay a settlement amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00) ("Maximum Settlement Amount"). The Settlement will be administered by CPT Group, Inc. ("CPT"), as agreed-upon by the Parties.

In order to determine the Net Settlement Amount (as defined below) to be paid out to Class Members, the Parties agree that the following payments/costs will be taken from the Maximum Settlement Amount:

A Service Payment of ten thousand dollars (\$10,000.00) to Plaintiff and Class Representative D'Maggio Angeleno Davis-Morales as payment for his time and effort in pursuing this Action (as defined below) and in exchange for a general release by his of all claims of whatever nature he might have against the Released Parties as defined below. The Service Payment is in addition to the Class Representative's individual Settlement Award as defined below.

Seventy-Five Thousand Dollars (\$75,000.00) allocated to Plaintiff's claims under The Private

Attorneys General Act ("PAGA") (75% of this amount will be paid to the California Labor and Workforce Development Agency ("LWDA") and 25% of this amount will be distributed to the Aggrieved Employees).

Class Counsel attorneys' fees not to exceed one-third of the Maximum Settlement Amount, currently estimated to total Five Hundred Thousand Dollars (\$500,000.00), and actual costs for Class Counsel Costs not to exceed Thirty Thousand Dollars (\$30,000) as defined below.

The third-party administrator's fees and costs for administration of the Settlement not to exceed thirty thousand dollars (\$30,000). The Parties further agree that Defendant shall pay the employer's share of any payroll taxes due with respect to the portion of the Net Settlement Amount allocated to wages.

C. DEFINITIONS

1. "Action" shall mean the claims asserted in the Complaint filed, and the Amended Complaint that shall be filed, in *D'Maggio Angeleno Davis-Morales, individually and on behalf of others similarly situated v. Call Grocery, Inc.*, pending in the Superior Court of the State of California in and for the County of San Diego ("San Diego County Superior Court"), under Case No. 37-2021-00046012-CU-OE-CTL.

2. "Aggrieved Employee" means all persons who are employed or have been employed by Defendant Call Grocery, Inc. in California as "hourly employees" at any point during the PAGA Period.

3. "Class," "Class Member," "Settlement Class," or "Settlement Class Member," for purposes of this Settlement, shall consist of all persons who are employed or have been employed by Call Grocery, Inc. in California as "hourly employees" at any point during the Class Period. The Settlement Class will not include any person who previously settled or released any of the claims covered by this Settlement, or any person who previously was paid or received awards through civil or administrative actions for the claims covered by this Settlement, or any person who submits a timely and valid request for exclusion as provided in this Settlement (as more fully described below).

4. "Class Data" means a spreadsheet of the Class Members' names, last-known mailing addresses, last-known telephone numbers, Social Security Numbers or Federal Employment

1 Identification Numbers, the inclusive employment dates for each Class Member, the number of
2 Qualifying Weeks worked by each Class Member during the Class Period, and the number of
3 Qualifying Weeks worked by each Aggrieved Employee during the PAGA Period. "Class Period"
4 shall mean the period covered by the Settlement, namely, from May 3, 2017 through July 15, 2024..

5 5. "Class Counsel" means Tyler Woods, James Yoo, and Alan Wilcox of Wilshire Law
6 Firm, PLC.

7 6. "Class Counsel Attorneys' Fees and Costs" shall mean the amount to be paid to Class
8 Counsel for attorneys' fees and costs.

9 7. "Class Counsel Costs" shall mean costs incurred by Class Counsel.

10 8. "Class Notice of Settlement" means the "Notice of Proposed Class Action Settlement
11 and Hearing Date for Final Approval." (See **Exhibit A** hereto.)

12 9. "Class Representative" or "Representative Plaintiff" shall mean D'Maggio Angeleno
13 Davis-Morales.

14 10. "Effective Date" shall mean the date upon which the Court grants final approval of the
15 Settlement if (a) no Settlement Class Members have filed objections to the Settlement or (b) all
16 Settlement Class Members who have filed objections have subsequently withdrawn all such
17 objections. However, if any objection has been filed and it is not withdrawn, the Settlement embodied
18 in this Stipulation of Settlement shall become effective sixty (60) days after the Court grants final
19 approval of the Settlement or, if an appeal is filed, the date of termination of such appellate
20 proceedings upholding the Settlement. In this regard, it is the intention of the Parties that the
21 Settlement shall not become effective until the Court's order approving the Settlement is completely
22 final, and there is no further recourse by an appellant or objector who seeks to contest the Settlement.
23 It is further agreed by and between the Parties that this Settlement shall not become effective, and
24 Defendant shall not have any obligation (monetary or otherwise) under the terms of this Settlement,
25 unless and until any objections, writs and/or appeals, and any rights of appeal with respect to any
26 objections or dismissals have been finally exhausted and resolved upholding the terms of this
27 Settlement.

28 11. "Complaint" shall mean, collectively, the Complaint filed on or about October 28,

1 2021, in this Action and the Amended Complaint that shall be filed by Plaintiff in accordance with
2 this Stipulation of Settlement and/or any other subsequent Amended Complaint.

3 12. "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of 25%
4 of the PAGA Penalties, calculated based on the each Aggrieved Employee's number of pay periods
5 worked during the PAGA Period.

6 13. "Maximum Settlement Amount" shall mean a maximum amount of One Million Five
7 Hundred Thousand (\$1,500,000.00), which shall include all payments to Class Members, Class
8 Counsel Attorney's Fees and Costs, a Service Payment (defined below) of Ten Thousand Dollars
9 (\$10,000.00) to Plaintiff, a payment of Fifty-Six Thousand Two Hundred Fifty Dollars (\$56,250.00)
10 to the LWDA for PAGA penalties (75% of \$75,000), payments totaling Eighteen Thousand Seven
11 Hundred Fifty Dollars (\$18,750.00) to the Aggrieved Employees for PAGA Penalties (25% of
12 \$75,000), all Settlement administration costs, and the employer's share of payroll taxes. Under no
13 condition will Defendant's aggregate liability exceed the Maximum Settlement Amount. The Parties
14 agree the entire Maximum Settlement Amount will be paid out without reversion to Defendant.

15 14. "Net Settlement Amount" shall mean the amount of the Maximum Settlement Amount
16 allocated to the payment of Settlement Awards as defined below according to a specified formula to
17 the Class Members. The Net Settlement Amount shall be calculated by deducting from the Maximum
18 Settlement Amount all Class Counsel Attorneys' Fees and Costs, a Service Payment (defined below)
19 of Ten Thousand Dollars (\$10,000.00) to Plaintiff, a payment of Fifty-Six Thousand Two Hundred
20 Fifty Dollars (\$56,250.00) to the LWDA for PAGA Penalties (75% of \$75,000.00), a payment of
21 Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750.00) to the Aggrieved Employees for
22 PAGA Penalties (25% of \$75,000.00), and all Settlement administration costs (not to exceed
23 \$30,000), and the employer's share of payroll taxes. The Parties agree that the entire Net Settlement
24 Amount will be paid out to all Class Members who do not opt out and that the entire PAGA Penalties
25 will be paid out to the LWDA and the Aggrieved Employees (whether or not they opt out of the class),
26 and without the need to submit claims for payment.

27 15. "PAGA" means the Labor Code Private Attorneys General Act of 2004, Labor Code
28 section 2698, *et seq.*

1 16. “PAGA Notice” means Plaintiff’s June 26, 2024, letter to the LWDA and Defendant
2 providing notice of violations of California’s Labor Code pursuant to Labor Code section 2699.3(a).

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

6 18. “PAGA Period” means from June 26, 2023, through preliminary approval of this
7 Settlement.

8 19. “Qualifying Week” shall mean any workweek during the Class Period in which
9 a Class Member provided labor or services for Defendant in California during the Class Period for
10 remuneration for one or more hours or any fraction thereof.

11 20. “Released Class Claims” include all claims against the Released Parties under state,
12 federal, and local law arising during the Class Period out of or related to the allegations made in the
13 Complaint, or which could be reasonably asserted based on the facts alleged in the Complaint. This
14 includes but is not limited to: claims for alleged unpaid straight time, unpaid overtime, unpaid double
15 time wages, off-the-clock work, unpaid minimum wages, meal or rest periods, unreimbursed
16 expenses, meal or rest period premiums, second meal period premiums, timely and complete payment
17 of wages at separation, failure to pay other wages of any kind during employment or due at separation,
18 failure to provide accurate and itemized wage statements, failure to maintain accurate payroll records,
19 claims brought under Business and Professions Code section 17200, *et seq.*, and claims for waiting
20 time penalties, plus claims for interest, attorneys’ fees and costs relating to such claims and/or any
21 other claims that could have reasonably been asserted in the Complaint.

22 21. “Released PAGA Claims” means all claims against the Released Parties for civil
23 penalties pursuant to PAGA arising during the PAGA Period which were or reasonably could be
24 asserted based on the facts alleged in the operative Complaint and/or Plaintiff’s PAGA Notice,
25 including, but not limited to, claims for PAGA penalties for alleged violations of Labor Code sections
26 201, 202, 203, 226(a), 226.7, 246, 510, 512, 1194, 1199, and 2802.

27 22. “Released Parties,” “Releasees,” or “Released Defendants” collectively mean:
28 (a) Defendant Call Grocery, Inc.; (b) Call Grocery Oceanside, Inc.; (c) Call Grocery La Mesa, Inc.;

1 and (d) each of Defendant's respective past, present, and future parents, subsidiaries, and affiliates
2 including, without limitation, any corporation, limited liability company, partnership, trust,
3 foundation, and non-profit entity which controls, is controlled by, or is under common control with
4 Call Grocery, Inc.; (c) the past, present, and future shareholders, directors, officers, agents,
5 employees, attorneys, insurers, members, partners, managers, contractors, consultants,
6 representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors, and
7 assigns of any of the foregoing; and (d) any individual who, or entity which, could be jointly liable
8 with any of the foregoing.

9 23. "Service Payment" shall be the amount paid to Plaintiff and Class Representative as
10 payment for his time and efforts in pursuing this Action and in exchange for a general release by him
11 of all claims of whatever nature he might have against the Released Parties, subject to approval by
12 the Court.

13 24. "Claims Administrator" shall mean CPT Group, Inc. ("CPT") or any other third-party
14 administrator which Class Counsel and Defendant's counsel jointly select, and the Court approves,
15 to administer the Settlement claims and act as the Claims Administrator.

16 25. "Settlement Awards" shall mean payments to Class Members under the terms of this
17 Settlement Agreement.

18 **D. BACKGROUND AND SUMMARY OF SETTLEMENT**

19 On October 28, 2021, Plaintiff filed a Class Action Complaint against Defendant in San Diego
20 County Superior Court. On February 2, 2022, Defendant filed and served an Answer, denying all
21 material allegations and asserting affirmative defenses.

22 On November 27, 2024, Plaintiff filed a First Amended Complaint against Defendant in San
23 Diego Superior Court.

24 Plaintiff's Complaint asserts claims for (1) Failure to Pay Minimum and Straight Time Wages;
25 (2) Failure to Pay Overtime Wages (3) Failure to Provide Meal Periods; (4) Failure to Authorize and
26 Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide
27 Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenses; (8) Unfair
28 Business Practices; and (9) Violation of the California Private Attorney General Act.

1 The Class Period covered by this Settlement is the period between May 3, 2017, and the date
2 of preliminary approval of this Settlement.

3 This Action has been actively litigated since it was filed. There have been on-going
4 investigations and an exchange of extensive data and information.

5 Counsel for the respective parties engaged in extensive discussions about the strengths and
6 weaknesses of the claims and defenses. The Parties attended mediation before an experienced and
7 well-regarded mediator, Francis J. Ortman, III, Esq. The mediation culminated in a settlement of
8 both Class and PAGA claims.

9 Plaintiff and Class Counsel concluded, after taking into account the sharply disputed factual
10 and legal issues involved in this Action, the risks attending further prosecution, and the substantial
11 benefits to be received pursuant to the compromise and settlement of the litigation as set forth in this
12 Agreement, that settlement on the terms set forth herein is in the best interests of Plaintiff and the
13 Settlement Class and is fair and reasonable. Similarly, Defendant concluded that there were benefits
14 associated with settling this Action. After taking into account the sharply disputed factual and legal
15 issues involved in this Action, the expense and burden of protracted litigation, and its desire to put
16 the controversy to rest, Defendant believes that settlement on the terms set forth in this Agreement is
17 in both its and the Settlement Class' best interests and is fair and reasonable to the Settlement Class.

18 The Parties agree to stipulate to class certification for purposes of settlement only as to the
19 Settlement Class and for the Released Class Claims and Released PAGA Claims. This Settlement
20 contemplates (a) entry of an Order preliminarily approving the Settlement and approving certification
21 of a provisional Settlement Class, contingent upon final approval of the Settlement; (b) entry of an
22 Order granting final approval of the Settlement of this Action; and (c) entry of a Judgment.

23 **E. TERMS OF SETTLEMENT**

24 In consideration for the mutual covenants, promises and agreements set forth herein, Plaintiff
25 and Defendant agree that this Action and any claims, damages or causes of action arising out of the
26 disputes which are the subject of the Complaint be settled and compromised as between Plaintiff and
27 the Settlement Class and Defendant, subject to the terms and conditions set forth in this Stipulation
28 of Settlement and the approval of the Court.

1 a. Total Settlement Amount. Total payment for the Settlement of this Action
2 shall be as follows:

3 b. Maximum Settlement Amount. To implement the terms of this Settlement,
4 Defendant agrees to pay a Maximum Settlement Amount of One Million Five Hundred Thousand
5 Dollars (\$1,500,000.00). The Maximum Settlement Amount will be held in an escrow account
6 established by the third-party Claims Administrator with a federally insured bank. Defendant will
7 deposit the Maximum Settlement Amount within thirty (30) calendar days of the Effective Date as
8 defined in this Agreement. At no time shall Defendant have the obligation to segregate the funds
9 comprising the Maximum Settlement Amount, and Defendant shall retain exclusive authority over,
10 and the responsibility for, those funds until they are paid to the Claims Administrator. All payments
11 to Class Members, attorneys' fees and costs, Service Payment to Plaintiff, PAGA payment to the
12 LWDA and Aggrieved Employees, and claims administration expenses, and the employer's share of
13 payroll taxes shall be paid out of the Maximum Settlement Amount.

14 c. Escalator. The Maximum Settlement Amount was calculated based upon data
15 gathered by Defendant at or around the time of mediation to form its best reasonable calculation of
16 Class Data, including the best estimate that there were 2,225 Class Members who collectively worked
17 a total of 120,706 Qualifying Weeks during the Class Period. If, during the course of this settlement
18 process, the total number of Qualifying Weeks worked by the Class Members during the Class Period
19 increases by more than 30% (i.e., a total of more than a total of 156,917 Qualifying Weeks), then the
20 Class Period shall be shortened to end on the date when the total Workweeks is approximately
21 156,916 provided that the resulting period does not end earlier than February 29, 2024 ("Alternative
22 End Date").

23 d. Net Settlement Amount. The Net Settlement Amount shall be calculated by
24 deducting from the Maximum Settlement Amount all Class Counsel Attorneys' Fees and Costs,
25 a Service Payment of Ten Thousand Dollars (\$10,000.00) to Plaintiff, a payment of Fifty-Six
26 Thousand Two Hundred Fifty Dollars (\$56,250.00) to the LWDA for PAGA Penalties (75% of
27 \$75,000.00), a payment of Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750.00) to the
28 Aggrieved Employees for PAGA Penalties (25% of \$75,000.00), and all Settlement administration

costs (not to exceed \$30,000), and the employer's share of payroll taxes. The Parties agree that the entire Net Settlement Amount will be paid out to all Class Members who do not opt out and that the entire PAGA Penalties will be paid out to the LWDA and the Aggrieved Employees (whether or not they opt out of the class), and without the need to submit claims for payment. Amounts to be paid will be calculated by the Claims Administrator and paid out of the Maximum Settlement Amount.

e. Payments to Class Members. For purposes of determining the payments to be made to Class Members who do not exclude themselves from this Settlement, Defendant will provide the Claims Administrator with information from Defendant's records showing the number of Qualifying Weeks worked by each Class Member during the Class Period and the number of Qualifying Weeks worked by each Aggrieved Employee during the PAGA Period. The Claims Administrator will divide the Net Settlement Amount by the total number of Qualifying Weeks worked by all Class Members during the Class Period in order to determine the Dollar Value of a Qualifying Week. The Claims Administrator will calculate the individual payments to each Class Member by determining the total number of Qualifying Weeks worked by the Class Member during the Class Period and multiplying the total number by the Dollar Value.

The number of Qualifying Weeks worked by the Class Members during the Class Period will be determined from Defendant's records, which will be presumed to be correct unless credible written evidence to the contrary is timely submitted to the Claims Administrator by a Class Member. The Claims Administrator will calculate the Qualifying Weeks worked by the Class Members from the information provided by Defendant and will calculate the individual payments to be made to each eligible Class Member. The Claims Administrator will advise each Class Member in the Class Notice of Settlement of the number of Qualifying Weeks he or she worked during the Class Period and Qualifying Weeks worked during the PAGA Period. Class Members will have the opportunity to submit written disputes regarding any calculation of Qualifying Weeks to the Claims Administrator for resolution within forty-five (45) calendar days of the date the Claims Administrator mails the Class Notice of Settlement. All Qualifying Week disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator's decision regarding such disputes shall be final.

1 f. Allocation of Settlement Awards. The Parties have agreed, based on the
2 allegations in this Action, that individual Settlement Awards payable to eligible Class Members from
3 the Net Settlement Amount will be allocated as follows: 20% to alleged unpaid wages and 80% to
4 alleged unpaid interest and penalties. PAGA Penalties will be deemed 100% penalties. IRS Forms
5 W-2 and 1099, as appropriate, shall be issued by the Claims Administrator to the Class Members for
6 the Settlement Awards.

7 g. Settlement Awards Do Not Trigger Additional Benefits. All Settlement
8 Awards to Class Members shall be deemed to be income to such Class Members solely in the year in
9 which such awards actually are received by the Class Members. It is expressly understood and agreed
10 that the receipt of such Settlement Awards will not entitle any Class Member to additional
11 compensation or benefits under any company bonus, contest, or other compensation or benefit plan
12 or agreement in place during the period covered by the Settlement, nor will it entitle any Class
13 Member to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation
14 benefits. It is the intent of this Settlement that the Settlement Awards provided for in this Agreement
15 are the sole payments to be made by Defendant to the Class Members in connection with this
16 Settlement, and that the Class Members are not entitled to any new or additional compensation or
17 benefits as a result of having received the Settlement Awards (notwithstanding any contrary language
18 or agreement in any benefit or compensation plan document that might have been in effect during the
19 period covered by this Settlement).

20 h. Mailing of Settlement Awards. The Claims Administrator shall cause the
21 Settlement Awards to be mailed to the Class Members within fourteen (14) calendar days after receipt
22 of payment of the Maximum Settlement Amount and the employer's portion of payroll taxes on wages
23 from Defendant. The expiration date of the Settlement Award checks will be one hundred eighty
24 (180) calendar days from the date the Settlement Award checks are issued.

25 i. Uncashed Settlement Checks. The Claims Administrator will send
26 one reminder notice to all Class Members who have not cashed their Settlement Award checks
27 thirty (30) calendar days prior to the 180-day deadline. Uncashed Settlement Award checks will not
28 be reissued except for good cause and as mutually agreed upon by the Parties in writing. Funds

1 represented by individual Settlement Award checks returned as undeliverable and individual
2 Settlement Award checks remaining un-cashed for more than one hundred eighty (180) calendar days
3 after issuance shall be tendered by the Claims Administrator to the State of California Controller's
4 Unclaimed Property Fund in the name of the Class Member.

5 j. PAGA. The Parties have allocated the sum of Seventy-Five Thousand Dollars
6 (\$75,000.00) to Plaintiff's claims under PAGA. Seventy-five percent (75%) of this amount will be
7 paid to the LWDA and twenty-five percent (25%) of this amount will be paid to the Aggrieved
8 Employees out of the Maximum Settlement Amount.

9 k. Service Payment. As payment for his time and effort in pursuing this Action
10 and in exchange for the general release more fully discussed below, Plaintiff shall be paid the sum of
11 Ten Thousand Dollars (\$10,000.00) as a service payment to be paid with the same timing as the
12 checks to Class Members. A Form 1099-MISC shall be issued by the Claims Administrator to
13 Plaintiff for the Service Payment. Any portion of the Service Payment which is not approved by the
14 Court will revert to the Net Settlement Amount.

15 l. Class Counsel Attorneys' Fees and Costs. In consideration for settling this
16 matter and in exchange for the release of claims by the Settlement Class, and subject to final approval
17 or modification by the Court, Class Counsel shall be awarded attorneys' fees not to exceed Five
18 Hundred Thousand Dollars (\$500,000.00), which is one-third (1/3) of the Maximum Settlement
19 Amount, and attorneys' costs up to the maximum amount of Thirty Thousand Dollars (\$30,000.00),
20 from the Maximum Settlement Amount. Defendant will not object to Class Counsel's application for
21 attorneys' fees and costs up to these amounts. The amounts set forth above will cover all work
22 performed and all fees to Class Counsel and costs incurred by Class Counsel to the date of payment,
23 all work to be performed, and all fees to Class Counsel and costs to be incurred by Class Counsel in
24 connection with the approval by the Court of this Stipulation of Settlement, and obtaining final
25 approval and judgment. Should Class Counsel request a lesser amount or the Court approve a lesser
26 amount of attorneys' fees and costs, the difference between the lesser amount and the maximum
27 amount set forth above shall be added to the Net Settlement Amount. The attorneys' fees and costs
28 approved by the Court shall be paid from the settlement fund to Class Counsel within forty-five (45)

1 calendar days following the Effective Date by the Claims Administrator in accordance with the
2 distribution of Settlement Funds.

3 m. Claims Administration Fees and Costs. Defendant will not object to Plaintiff
4 seeking approval from the Court for payment to the Claims Administrator of administration fees and
5 costs totaling up to \$30,000 as approved by the Court shall be paid within forty-five (45) calendar
6 days following the Effective Date.

7 n. Defendant's Right to Rescission. If more than ten percent (10%) of the
8 Settlement Class opt out of the Settlement Class by submitting timely and valid requests for exclusion
9 as set forth in the Class Notice of Settlement, Defendant shall have the right in its sole discretion to
10 rescind and void the Parties' Settlement, before final approval by the Court, by providing written
11 notice to Class Counsel and the Claims Administrator no later than seven (7) calendar days after
12 expiration of the opt-out deadline (provided that the Claims Administrator has previously furnished
13 Defendant with the number and percentage of timely and valid requests for exclusion). If Defendant
14 exercises this option, Defendant shall pay all costs of administration incurred up to that date.

15 o. Claims Administrator. The Parties have agreed to the appointment of CPT
16 Group, Inc. to perform the customary duties of claims administrator; provided, however, the Parties
17 shall have the right to select or substitute a different claims administrator by mutual agreement. The
18 Claims Administrator will receive the Class Data from Defendant and send the Class Notice of
19 Settlement to the Class Members. As set forth above, the Claims Administrator will calculate the
20 amounts due to Class Members (less appropriate deductions) in accordance with this Stipulation of
21 Settlement. Defendant will provide the Claims Administrator with information needed to perform its
22 duties. Upon receipt of funds from Defendant, the Claims Administrator will issue and send
23 Settlement Award checks to Class Members, the LWDA, Aggrieved Employees, and Class Counsel.
24 Tax treatment of the Settlement Awards will be as set forth herein, and in accordance with state and
25 federal tax laws. All disputes relating to the Claims Administrator's performance of its duties shall
26 be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and
27 conditions of this Stipulation of Settlement until all payments and obligations contemplated by this
28 Stipulation of Settlement have been fully carried out.

p. Notice to Class Members. A "Notice of Proposed Class Action Settlement and Hearing Date for Final Approval" in substantially the form attached hereto as **Exhibit A**, and as approved by the Court, shall be sent by the Claims Administrator to the Class Members by U.S. First-Class mail within fourteen (14) calendar days of receipt of the Class Data from Defendant. Any returned envelopes from this mailing with forwarding addresses will be used by the Claims Administrator to forward the Class Notice of Settlement to the Class Members. The Class Notice of Settlement shall also identify the procedures for opting out of or objecting to the Settlement.

q. Mailing of Notice. Within twenty (20) calendar days of preliminary approval of this Settlement by the Court, Defendant shall provide to the Claims Administrator all Class Data available to it. The Parties agree that the Class Members' contact information and Social Security Numbers will be used only by the Claims Administrator for the sole purpose of effectuating the Settlement and will not be provided by the Claims Administrator to Class Counsel at any time or in any form. The Claims Administrator shall take reasonable steps to protect the confidential and private information of the Class Members. To the extent Class Counsel possesses or comes to possess the Class Members' contact information, Social Security Numbers, and/or Federal Employment Identification Numbers (other than Plaintiff's), Class Counsel shall return all such information (including copies and data or information derived therefrom) within seven (7) calendar days from the Effective Date of the Settlement, shall not retain copies of such information, and shall not maintain or use such information for any purpose. The spreadsheet provided for above shall be based on Defendant's payroll and other business records and in a format acceptable to the Claims Administrator. Defendant agrees to consult with the Claims Administrator prior to the production date to ensure the format will be acceptable to the Claims Administrator. The Claims Administrator will run a check of the Class Members' addresses against those on file with the U.S. Postal Service's National Change of Address List.

r. Returned Notices. Class Notices of Settlement returned to the Claims Administrator as non-delivered during the 60-calendar-day period for submission of requests for exclusion from the Settlement shall be resent to the forwarding address, if any, on the returned envelope. If there is no forwarding address, the Claims Administrator will do a National Change of

1 Address check, skip-trace return mail, and re-mail within three (3) business days of receipt using the
 2 Class Member's Social Security Number and/or Federal Employment Identification Number. All
 3 Class Members whose Class Notices are re-mailed shall have 15 additional calendar days (75 days
 4 total) to object to, dispute, or opt out from the Settlement. Upon completion of these steps by the
 5 Claims Administrator, Defendant and the Claims Administrator shall be deemed to have satisfied
 6 their obligations to provide the Class Notice of Settlement to all of the members of the Settlement
 7 Class. All such members who have not submitted requests for exclusion shall remain members of the
 8 Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and the Court's
 9 Final Approval Order and Judgment.

10 s. Declaration of Due Diligence. Class Counsel shall provide to the Court, at
 11 least sixteen (16) court days before the final fairness and approval hearing, or as soon thereafter as
 12 reasonably possible, a declaration by the Claims Administrator of due diligence and proof of mailing
 13 with regard to the mailing of the Class Notice of Settlement.

14 t. Opting Out of the Settlement. Class Members who do not wish to participate
 15 in the Settlement may exclude themselves by submitting a timely written request for exclusion to the
 16 Claims Administrator. The request for exclusion should state that he or she has received the Class
 17 Notice of Settlement, that he or she has decided not to participate in the Settlement, and words to the
 18 effect that he or she desires to be excluded from the Settlement. The request for exclusion must also
 19 state the individual's full name, address, telephone number, and Social Security Number's last four
 20 digits. The request for exclusion must be signed, dated and mailed by U.S. First-Class mail to the
 21 Claims Administrator. All requests for exclusion must be postmarked and mailed to the Claims
 22 Administrator no later than sixty (60) calendar days after the Claims Administrator mails the Class
 23 Notice of Settlement to the Class Members, plus fifteen (15) calendar days for Class Members whose
 24 Class Notices were re-mailed (75 days total). Any individual who submits a request for exclusion
 25 will not be allowed to object to the terms of the Settlement. If a Class Member both objects to the
 26 Settlement and opts out of the Settlement, their objections will be disregarded and they will be deemed
 27 to have opted out of the Settlement.

28 u. Objecting to the Settlement. Any individual who does not exclude himself or

herself from the Settlement can object to the terms of the Settlement before or at the final fairness and approval hearing date. Participating Class Members may send written objections to the Claims Administrator by fax, email, or mail. In the alternative, participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the final approval hearing. A participating Class Member who elects to send a written objection to the Claims Administrator must do so no later than 60 days after the Claims Administrator's mailing of the Class Notice (plus 15 days for Class Members whose Class Notices were re-mailed). If the Court rejects the objection, the individual will be bound by the terms of the Settlement and will receive his or her portion of the Settlement.

v. Release by the Class. Upon final approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, all Settlement Class Members, except those Settlement Class Members who submit valid and timely written requests for exclusion, fully release and discharge the Released Parties from any and all Released Class Claims as defined in this Agreement.

w. Release by the Aggrieved Employees. Upon final approval by the Court of this Settlement Agreement and Defendant's payment in full of the Maximum Settlement Amount and the employer's share of taxes on wages, and except as to such rights or claims as may be created by this Settlement Agreement, all Aggrieved Employees, whether or not they submit requests for exclusion, fully release and discharge the Released Parties from any and all Released PAGA Claims as defined in this Agreement.

x. Release of Additional Claims and Rights by Plaintiff. Upon final approval by the Court of this Settlement Agreement and Defendant's payment in full of the Maximum Settlement Amount and the employer's share of taxes on wages, Plaintiff will agree to the additional following General Release:

In consideration for Defendant's promises and agreements as set forth herein, Plaintiff hereby fully releases the Released Parties from any and all Released Class Claims and Released PAGA Claims and also generally releases and discharges the Released Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind arising out

of or relating to Plaintiff's employment by Defendant or termination thereof, which have been or could have been asserted against the Released Parties, including but not limited to claims for wages, restitution, penalties, interest, retaliation, wrongful termination of employment, and/or discrimination on the basis of sex, race, national origin, ancestry, age, religion, disability, handicap, or veteran status, and/or any state, federal or common law, statutory, or other employment-related claims. This release specifically includes any and all claims, demands, obligations, and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiff waives all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In consideration for this general release of claims and to compensate Plaintiff for his time and effort serving as Class Representative, Plaintiff will be paid out of the Settlement funds the sum of Ten Thousand Dollars (\$10,000.00) as a service payment. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the payment made pursuant to this paragraph and will hold Defendant harmless from any claim or liability for taxes, penalties or interest arising as a result of the payment.

To effectuate the terms of the Settlement, the Parties agree all formal and informal discovery and other proceedings shall be stayed pending Court approval of the Settlement. The Parties also agree to notify the Court of the Settlement and to request that all current court deadlines be continued pending preliminary approval of the Settlement. Class Counsel further agrees not to initiate communication (oral and written) with the Released Parties' current employees.

1 y. Preliminary Approval. Upon execution of this Stipulation of Settlement,
 2 Plaintiff shall promptly submit this Stipulation of Settlement to San Diego County Superior Court in
 3 support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement and for
 4 determination by the Court as to its fairness, adequacy and reasonableness. Plaintiff shall not set the
 5 hearing for Preliminary Approval until after the time which it can and will file an Amended Complaint
 6 including a claim under PAGA. The submission of the Motion for Preliminary Approval will include
 7 such motions, pleadings and evidence as may be required for the Court to determine that this
 8 Agreement is fair, adequate and reasonable, as required by Section 382 of the California Code of
 9 Civil Procedure and Rule 3.769 *et seq.* of the California Rules of Court; a Class Notice of Settlement
 10 in substantially the form attached hereto as **Exhibit A**. The Motion for Preliminary Approval will
 11 include requests for at least the following:

- 12 1. scheduling a final fairness and approval hearing on the question of
 13 whether the proposed Settlement, including payment of the Settlement
 14 Awards, Class Counsel Attorneys' Fees and Costs, Service Payment to
 15 Plaintiff, PAGA payment to the LWDA, and claims administration
 16 costs should be finally approved as fair, reasonable and adequate as to
 17 the members of the Settlement Class;
- 18 2. certifying a Settlement Class, appointing D'Maggio Angeleno Davis-
 19 Morales as Class Representative, and appointing Wilshire Law Firm as
 20 Class Counsel;
- 21 3. approving as to form and content the proposed Class Notice of
 22 Settlement;
- 23 4. approving the manner and method for Class Members to request
 24 exclusion from the Settlement as contained herein and within the Class
 25 Notice of Settlement;
- 26 5. approving the manner and method for Class Members to object to the
 27 Settlement as contained herein and within the Class Notice of
 28 Settlement;

6. directing the mailing of the Class Notice of Settlement by U.S. First-Class mail to the Class Members; and

7. preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court.

z. Final Fairness and Approval Hearing. On the date set forth for such hearing in the Order Granting Preliminary Approval of Class Action Settlement, a final fairness and approval hearing shall be held before the Court in order to consider and determine whether: (a) the Court should give this Agreement final approval; (b) Class Counsel's application for attorneys' fees and costs should be granted; and (c) any timely objections made and all responses by Class Counsel and Defendant's counsel to such objections have any merit. At the final fairness and approval hearing, Plaintiff/Class Representative, Class Counsel, and Defendant's counsel shall request the Court to give final approval to this Agreement.

aa. Parties' Authority. The signatories hereto hereby represent that they are fully authorized to enter into this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

bb. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Stipulation of Settlement, including but not limited to executing such documents and taking such other action as reasonably may be necessary to implement the terms of this Stipulation of Settlement. The Parties to this Stipulation of Settlement shall use their best efforts, including all efforts contemplated by this Stipulation of Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As soon as practicable after execution of this Stipulation of Settlement, Class Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the Court's final approval of this Stipulation of Settlement. The Parties and their respective counsel agree that they will not attempt to encourage or discourage Class Members from filing requests for exclusion.

cc. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to

1 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
2 action, cause of action, or right herein released and discharged except as set forth herein.

3 dd. No Admission. Nothing contained herein, nor the consummation of this
4 Stipulation of Settlement, is to be construed or deemed an admission of liability, culpability,
5 negligence, or wrongdoing on the part of Defendant. Each of the Parties hereto has entered into this
6 Stipulation of Settlement solely with the intention to avoid further disputes and litigation with the
7 attendant inconvenience and expenses.

8 ee. Enforcement Actions. The Parties agree that San Diego County Superior
9 Court shall retain jurisdiction to enforce the terms of this Settlement pursuant to Section 664.6 of the
10 California Code of Civil Procedure. In the event one or more of the Parties to this Stipulation of
11 Settlement institutes any legal action or other proceeding against any other party or parties to enforce
12 the provisions of this Stipulation of Settlement or to declare rights or obligations under this Stipulation
13 of Settlement, the successful party or parties shall be entitled to recover from the unsuccessful party
14 or parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection
15 with any enforcement actions.

16 ff. Confidentiality. Plaintiff and Class Counsel agree that the terms of this
17 Settlement (including, but not limited to, the Maximum Settlement Amount), the negotiations leading
18 to this Settlement, and all documents related to this Settlement, including the Memorandum of
19 Understanding and any subsequent settlement contracts, shall not be discussed with, publicized, or
20 promoted to the public prior to filing the motion for preliminary approval of this Settlement.
21 Notwithstanding the foregoing, Plaintiff and Class Counsel may tell the public in general only that
22 certain claims "have been resolved by the parties."

23 gg. Notices. Unless otherwise specifically provided herein, all notices, demands,
24 or other communications given hereunder shall be in writing and shall be deemed to have been duly
25 given as of the seventh business day after emailing or mailing by U.S. registered or certified mail,
26 return receipt requested, addressed as follows:

To Plaintiff and the Settlement Class

Tyler Woods
James Yoo
Alan Wilcox
Wilshire Law Firm
660 S. Figueroa Street, Sky Lobby
Los Angeles, CA 90017
tyler.woods@wilshirelawfirm.com
james.yoo@wilshirelawfirm.com
alan.wilcox@wilshirelawfirm.com

To Defendant

Evan Dwin, Esq.
DWIN LEGAL, APC
2121 Palomar Airport Road, Suite 160
Carlsbad, CA 92011
edwin@dwinlegal.com

hh. Construction. The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive arms-length negotiations between the Parties with the assistance of a neutral mediator, and this Stipulation of Settlement shall not be construed in favor of or against any party by reason of the extent to which any party, or her or its counsel, participated in the drafting of this Stipulation of Settlement.

ii. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Stipulation of Settlement or any provision of it. Each term of this Stipulation of Settlement is contractual and not merely a recital.

jj. Modification. This Stipulation of Settlement may not be changed, altered, or modified, except in writing and signed by the Parties hereto and approved by the Court. This Stipulation of Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

kk. Integration Clause. This Stipulation of Settlement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

ll. Binding Effect. This Stipulation of Settlement shall be binding upon and inure

1 to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
2 successors, and assigns.

3 mm. Class Member Signatories. It is agreed that, because the Class Members are
4 so numerous, it is impossible or impractical to have each Class Member execute this Stipulation of
5 Settlement. The Class Notice of Settlement (**Exhibit A** hereto) will advise all Class Members of the
6 binding nature of the release, and the release shall have the same force and effect as if this Stipulation
7 of Settlement were executed by each Class Member.

8 nn. Counterparts. This Stipulation of Settlement may be executed in counterparts
9 and by facsimile signatures, and when each party has signed and delivered at least one such
10 counterpart, each counterpart, including e-mail and PDF versions, shall be deemed an original and,
11 when taken together with other signed counterparts, shall constitute one Stipulation of Settlement
12 binding upon and effective as to all Parties.

13 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
14 Stipulation of Settlement as of the date(s) set forth below:

15 DATED: May 18, 2026

DWIN LEGAL, APC

Evan Dwin

By: Evan Dwin
Attorneys for Defendant
CALL GROCERY, INC.

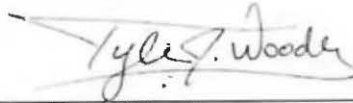
20 DATED: 5/18/2026

CALL GROCERY, INC.

22 By: Matt Frazier
President

1 DATED: May 14, 2026

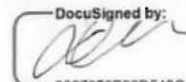
APPROVED BY CLASS COUNSEL AS TO FORM
WILSHIRE LAW FIRM



By: Tyler Woods
James Yoo
Alan Wilcox
Attorneys for Plaintiff
D'Maggio Angeleno Davis-Morales

7 DATED: 5/14/2026

PLAINTIFF AND CLASS REPRESENTATIVE
D'MAGGIO ANGELENO DAVIS-MORALES

DocuSigned by:


By: D'Maggio Angeleno Davis-Morales
Plaintiff and Class Representative

Exhibit A

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

D'Maggio Angeleno Davis-Morales v. Call Grocery, Inc.
San Diego County Superior Court, Case No. 37-2021-00046012-CU-OE-CTL

***The San Diego County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from employee class and representative action lawsuits (“Actions”) against Call Grocery, Inc. (“Defendant”) for alleged wage and hour violations. The Actions were filed by former employee, D'Maggio Angeleno Davis-Morales, and seeks (1) payment of unpaid wages and other relief for a class of non-exempt or hourly-paid employees (“Class Members”) who worked for Defendant during the Class Period (May 3, 2017 to July 15, 2024); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Class Members who worked for Defendant during the Class Period (May 3, 2017 through July 15, 2024) (“Class Member”).

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

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

The above estimates are based on Defendant’s records showing that **you worked _____ Workweeks during the Class Period and you worked _____ Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Defendant Call Grocery, Inc. at some point(s) between May 3, 2017 through July 15, 2024, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members' claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys' General Act ("PAGA"). If you are a Class Member, you are also an "Aggrieved Employee" if you worked for Defendant during the "PAGA Period," which is June 26, 2023 through **XXXX**.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator's contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the San Diego County Superior Court. The case is titled *D'Maggio Angeleno Davis-Morales v. Call Grocery, Inc.* Case No. 37-2021-00046012-CU-OE-CTL. The person who sued, D'Maggio Angeleno Davis-Morales, is the Plaintiff, and the company sued, Call Grocery, Inc., is the Defendant.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiff in the lawsuits alleges wage and hour violations against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods and pay meal period premiums; (4) failure to provide rest periods and pay miss rest period premiums; (5) failure to pay all wages earned and unpaid at separation; (6) failure to furnish accurate itemized wage statements; (7) failure to indemnify all necessary business expenditures; (8) unfair business practices; and (9) violation of the California Private Attorney General Act. In addition, Plaintiff is seeking to recover civil penalties pursuant to PAGA (“PAGA Penalties”) based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiff’s claims and denies any wrongdoing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called “Class Representatives” (in this case, the Plaintiff) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the Plaintiff or Defendant on the merits of the claims alleged in the lawsuit. Plaintiff believes Plaintiff would win at trial. Defendant thinks that Plaintiff’s lawsuit would not proceed to a trial and/or that Plaintiff would not win at trial. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiff, as well as Plaintiff’s lawyers (called “Class Counsel”), believe the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: all persons who are employed or have been employed by Call Grocery, Inc. in California as “hourly employees” at any time from May 3, 2017 through July 15, 2024.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$1,500,000.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of one-third of the GSA or \$500,000.00 and reimbursement for reasonable costs; Enhancement Award of \$10,000.00 to the Plaintiff (for Plaintiff’s work and efforts prosecuting this case); a PAGA Penalties payment of \$75,000.00 to resolve the PAGA claims; and Settlement Administration Costs to [INSERT], not to exceed \$30,000.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately **\$885,000.00**. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$75,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalties payment, or \$56,250.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or \$18,750.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (May 3, 2017 to July 15, 2024). Eighty-five percent (85%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and fifteen percent (15%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 15% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant from June 26, 2023 to XXXX (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement. *See, e.g., Robinson v So. County Oil*, 53 Cal. App. 476 (2020).

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on _____, to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees within approximately 14 days after receipt of payment of the Maximum Settlement Amount and the employer's portion of payroll taxes on wages from Defendant so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the Released Class Claims described below against Defendant and all of Defendant's officers, directors, parents, and agents ("Released Parties"). The releases become effective once the GSA is fully funded by Defendant.

Released Class Claims: The “Released Class Claims” shall include all claims asserted in the complaint filed in the Class Action or that could have been based on the factual allegations asserted in the complaint filed in the Class Action during the Class Period against the Released Parties.

Released PAGA Claims: If you are an Aggrieved Employee (i.e. if you worked for Defendant during the PAGA Period), you will also release all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiff’s PAGA Notice to the LWDA and the complaint filed in the PAGA Action, or that could have been based on the facts asserted in the PAGA Notice and the complaint filed in the PAGA Action against Released Parties.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than [45 days after Class Notice is Mailed]. Be sure to include your name, address, and telephone number, and any other information you think would be helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

[INSERT].
Call Grocery, Inc. Settlement
XXXXX
City, State, XXXXX
Email:
Fax:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (June 26, 2023 through XXXX). If you ask to be excluded, you may be able to sue (or continue to sue) Defendant in the future.

13. IF I DON’T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is [45 days after Class Notice is Mailed].

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money from this Settlement. However, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendant, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, PLC is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

Tyler Woods
Tyler.woods@wilshirelawfirm.com
Alan Wilcox
alan.wilcox@wilshirelawfirm.com
James Yoo
james.yoo@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve \$500,000.00 (or 1/3 of the GSA) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to [AMOUNT] in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve a payment to Plaintiff D'Maggio Angeleno Davis-Morales in the amount of \$10,000.00 in addition to Plaintiff's Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiff has spent in service to the Class as the Class Representative. The Court may award a Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before [REDACTED], 2026, at the following address:

[INSERT]
Call Grocery, Inc.. Settlement

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

XXXXXX
City, State, XXXXXX
Email:
Fax

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED] in Department C-74 of the San Diego County Superior Court (Hall of Justice) located at 330 West Broadway, San Diego, California 92101, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payment and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, [INSERT] by calling toll free 1-800-XXXX, or you can write to the Administrator at the following address:

[INSERT]
Call Grocery, Inc.. Settlement
XXXXX
City, State, XXXXX
Email:
Fax

PLEASE DO NOT TELEPHONE THE COURT OR CALL GROCERY, INC.'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

Exhibit 2

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.



Private Attorneys General Act (PAGA) – Filing

Proposed Settlement of PAGA case

PAGA Number (LWDA-CM-) : *

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXX-XX".

[Search for PAGA Case number](#)

The timing of the deposit of settlement checks is governed by the provisions of the State Administrative Manual. This ministerial, administrative act of depositing a settlement check mandated by state procedures should not be construed as nor does it constitute an unconditional, voluntary and/or absolute acceptance of settlement proceeds or approval of the terms of any settlement agreement or judgment related to that check.

Your Information (Person Who is Filing)

Your First Name *

Your Last Name *

Your Email Address *

Your Street Name, Number and Suite/Apt *

Your Mobile Phone Number

Your City *

Your Work Phone Number

Your State *

Your Zip/Postal Code *

Court and Hearing Information

Court *

San Diego County Superior Court ▼

Court Case Number *

37-2021-00046012-CU-

Hearing Date *

10/30/2026

Hearing Time *

08:30

HH:MM

Hearing Location *

330 W Broadway, San Diego

Number of aggrieved employees *

1396

Net Amount to Aggrieved Employees *

18750.00

Gross settlement amount *

1500000.00

Gross penalty *

75000.00

Penalties to LWDA *

56250.00

Date of proposed settlement *

10/30/2026

Other PAGA Notices

[Search for PAGA Case number](#)

☒ I have searched LWDA's database for other PAGA claims filed against the employer(s) named in my NEW PAGA Claim Notice.

☒ There are no other PAGA claims which may be affected by this proposed settlement.

☐ The proposed settlement may affect other PAGA claims.

☐ A Notice of Related Cases has been filed in all related actions.

☐ Plaintiff has provided copies of proposed settlement and moving papers to plaintiffs with claims that are affected by this proposed settlement agreement.

☐ Plaintiff has submitted to LWDA the court complaint(s) on which this settlement is based.

Proposed Settlement and Other Documents

Proposed Settlement (must be .pdf or .xlsx) *

 Fully Execute...Agreement.pdf

Other Attachment (if any, must be .pdf or .xlsx)

 No file chosen[Add Another Attachment](#)

LWDA requests that settling parties provide copies of supporting documents, including memorandum of points and authorities and declaration of counsel filed with the court, to assist LWDA in evaluating proposed settlement agreements.

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☒ **I understand that, if I file, I must comply with the redaction rules consistent with this notice.**

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

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Previous Page

Submit

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>

Date Thu 6/4/2026 9:49 AM

To Alan Wilcox's Team <AlanWilcoxTeam@wilshirelawfirm.com>

06/04/2026 09:48:59 AM

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

Item submitted: Proposed Settlement

On 06/04/2026 09:48:59 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1036444-24

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%7Cpablo.villalobos%40wilshirelawfirm.com%7C47ce1e6ff1384058354e08dec259365d%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639161885611496874%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMtSlkFOljoitWFpbCIsIldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=%2B0uNiatkO6lvLWSBVwgUQR4OAJByG9EgIIV%2BfZ1fl%2Fw%3D&reserved=0](https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate%20Attorneys%20General%20Act.htm&data=05%7C02%7Cpablo.villalobos%40wilshirelawfirm.com%7C47ce1e6ff1384058354e08dec259365d%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639161885611496874%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMtSlkFOljoitWFpbCIsIldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=%2B0uNiatkO6lvLWSBVwgUQR4OAJByG9EgIIV%2BfZ1fl%2Fw%3D&reserved=0)

Exhibit 3

CASE NAME: MORALES V. CALL GROCERY

Date: August 25, 2025

Requesting Attorney: Justin F. Marquez

Plaintiff or Defense: Plaintiff

Firm Name: Wilshire Law Firm, PLC

Telephone: (213) 381-9988

Email: justin@wilshirelawfirm.com

All-In Settlement

Class Size: 2,500

Opt-Out Rate: 1.5%

No. of Checks Issued: 2,463

Postage Total: \$4,624.87

Grand Total: \$32,825.42

DISCOUNTED FLAT FEE: \$23,000.00

The services and numbers reflected herein are an estimate provided by counsel. If the actual services and number are different, our cost estimate will change accordingly.

The attached Terms and Conditions are included as part of our cost proposal. By accepting our costs proposal for this matter, you are thereby agreeing to the Terms and Conditions.

CASE SETUP

Upon Intake of the Data, CPT will Scrub all Records to a Useable Format to Reduce Duplicates, Anomalies and Increase the Success Rate of Deliverability of the Class Notice. Class Members will be Assigned a Unique Mailing ID which will be Used Throughout Administration. The Notice Packet will be Translated into Spanish. All Pertinent Documents will be Posted on a Case Specific Website.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Case Intake & Review	\$95.00	7	\$665.00
Programming: Data Base Setup	\$150.00	7	\$1,050.00
Spanish Translation	\$1,200.00	1	\$1,200.00
Static Website	\$500.00	1	\$500.00
TOTAL			\$3,415.00

DIRECT MAIL NOTICE

To Ensure Mailing to the Most Current Address Possible, CPT will Perform an Address Update via NCOA. CPT will Mail a Full-Length Notice & 1-Page Exclusion Form in Both English & Spanish.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Format Documents	\$95.00	2	\$190.00
National Change of Address Search (NCOA)	\$250.00	1	\$250.00
Print & Mail Notice Packets	\$1.50	2,500	\$3,750.00
First-Class Postage (up to 2 oz.)*	\$0.96	2,500	\$2,400.00
TOTAL			\$6,590.00

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

PROCESS RETURNED UNDELIVERABLE MAIL

Based On CPT's Historical Data, 6% of the Notices will be Returned Undeliverable. Upon Receipt, CPT will Perform a Skip Trace in an Attempt to Obtain a Current Address; Thus, 91% of the Notice Packets are Remailled.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Clerical Staff	\$60.00	3	\$180.00
Update Undeliverable Mail Database	\$0.50	150	\$75.00
Skip Trace for Best Address	\$1.00	129	\$129.00
Print & Remail Notice Packets	\$1.50	117	\$175.50
First-Class Postage (up to 2 oz.)	\$0.96	117	\$112.32
TOTAL			\$671.82

OPT-OUT PROCESSING

CPT will Process and Validate all Opt-Outs and Other Responses from Class Members. Deficient Opt-Outs will Receive a Deficiency Notice

by Mail and Provide an Opportunity to Cure. CPT will Scrub the Filed Opt-Outs to Eliminate Duplicates, Fraudulent, and Otherwise Invalid.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: De-duplication/Scrubbing	\$150.00	1	\$150.00
Project Manager: Validate Opt-Out Requests	\$95.00	1	\$95.00
Clerical Staff	\$60.00	1	\$60.00
Opt-Out & Change of Address Processing	\$2.00	38	\$75.00
Print & Mail Deficiency/Dispute Notices	\$1.50	2	\$3.00
First-Class Postage (up to 1 oz.)	\$0.78	2	\$1.56
Review & Process Deficiency Responses	\$10.00	1	\$10.00
		TOTAL	\$394.56

TELEPHONE SUPPORT

CPT will Maintain a Toll-Free Phone Number with IVR Capabilities and Live Class Member Support Representatives During Normal Business Hours, Monday-Friday, 9:00 AM - 5:30 PM, PT. The Dedicated Case Phone Number will Remain Active Up to 120 Days After Disbursement.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Toll-Free Number Establish/Setup	\$150.00	2	\$300.00
Live Call Center Support Reps.	\$3.00	500	\$1,500.00
		TOTAL	\$1,800.00

SSN VERIFICATION

Verify SSN for Validity with IRS / IRS Backup Withholdings

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: SSN Selection	\$150.00	1	\$150.00
Department Manager: Analysis & Reporting	\$95.00	3	\$285.00
IRS SSN Verification	\$0.10	2,463	\$246.25
		TOTAL	\$681.25

DISTRIBUTION SERVICES

CPT will Establish and Manage the Qualified Settlement Fund (QSF) for up to One Year After Disbursement. Upon Approval, CPT will Perform all Necessary Calculations and Disburse Funds. CPT will Mail an 8.5"x11" MICR Check to Valid Class Members. CPT Uses a Payee Positive Pay System to Reconcile Checks Cashed and Conducts Monthly Account Reconciliations for the QSF.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: Calculation Totals	\$150.00	3	\$450.00
Project Supervisor: Review of Distribution	\$150.00	6	\$900.00
Project Manager: Correspondence w/Parties	\$95.00	3	\$285.00
Programming: Setup & Printing of Checks	\$150.00	4	\$600.00
Obtain EIN, Setup QSF/Bank Account	\$150.00	3	\$450.00
Print & Mail Notice, Checks & W2/1099	\$2.50	2,463	\$6,156.25
First-Class Postage (up to 1 oz.)*	\$0.74	2,463	\$1,822.25
		TOTAL	\$10,663.50

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

POST-DISTRIBUTION & TAX REPORTING

Any Check Returned Undeliverable is Skip Traced to Locate a Current Address and Remailed Accordingly. CPT will Process Requests for Check Reissues Continuously. CPT Prepares Annual Tax Reporting on Behalf of the QSF and Federal and State Taxes in Accordance with Current State and Federal Regulations. Upon the Conclusion of the Settlement, a Final Report and Declaration will be Provided to all Parties.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Supervisor: Account Reconciliation	\$150.00	10	\$1,500.00
Update Undeliverable Checks Database	\$0.50	197	\$98.50
Skip Trace for Best Address	\$1.00	197	\$197.00
Remail Undeliverable Checks	\$2.50	179	\$447.50
First-Class Postage (up to 1 oz.)	\$0.74	179	\$132.46
Re-Issue Checks as Required	\$5.00	124	\$620.00
First-Class Postage (up to 1 oz.)	\$0.74	124	\$91.76
Project Supervisor: Reconcile Uncashed Chk	\$150.00	1	\$150.00
Programming: Weekly & Final Reports	\$150.00	2	\$300.00
Project Supervisor: Final Declaration	\$150.00	2	\$300.00
Project Manager: Account Files Sent to Atty	\$95.00	2	\$190.00
CA Tax Preparation*	\$600.00	1	\$600.00
Annual Tax Reporting to IRS*	\$1,000.00	1	\$1,000.00
QSF Annual Tax Reporting	\$500.00	1	\$500.00
TOTAL			\$6,127.22

*CPT will file Federal and California taxes in accordance to current state and federal regulations. Additional charges will apply if the Settlement/Order/parties require(s) multiple state tax filings.

SCO ESCHEATMENT PROCESSING

Escheatment Processing to the State Controller Unclaimed Property Division / Uncashed Check Rate 21%			
ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
UPEnterprise Reporting Services	\$0.15	517	\$77.55
Project Manager: SCO Fall Reporting	\$95.00	2	\$190.00
Project Supervisor: Review of SCO Reports	\$150.00	1	\$150.00
Certified Mail Report to SCO	\$11.98	1	\$11.98
Check Reissues for Winter/Spring QTR	\$5.00	52	\$260.00
First-Class Postage (up to 1 oz.)	\$0.78	52	\$40.56
Project Supervisor: June Remittance	\$150.00	1	\$150.00
Project Manager: June Remittance	\$95.00	2	\$190.00
Certified Mail Report to SCO	\$11.98	1	\$11.98
Add'l Account Recons	\$150.00	6	\$900.00
Add'l QSF Annual Tax Reporting	\$500.00	1	\$500.00
TOTAL			\$2,482.07

GRAND TOTAL \$32,825.42

TERMS AND CONDITIONS

These Terms and Conditions ("**Terms and Conditions**") are made a part of, and incorporated by reference into, any Bid presented by CPT Group, Inc. ("**CPT**") to Client. Each of Client and CPT is a "**Party**" to this Agreement, and collectively, the "**Parties**".

1. Definitions.

- a) "**Affiliate**" means a party that partially (at least 50%) or fully controls, is partially or fully controlled by, or is under partial (at least 50%) or full common control with another party.
- b) "**Agreement**" means these Terms and Conditions and the Bid.
- c) "**Applicable Laws**" means all applicable local, state and federal laws, ordinances, rules and regulations.
- d) "**Approved Bank**" means any financial institution that is insured by the Federal Deposit Insurance Corporation.
- e) "**Bid**" means a proposal, statement of work, order form, and/or schedule for Services (including any and all addendums, exhibits, or amendments thereto) provided by CPT to Client.
- f) "**Case**" means the case referred to in the attached Bid and/or the particular judicial matter identified by the name of plaintiff(s) and defendant(s) on the caption of the applicable Court Order.
- g) "**Class**" means Members and putative Members collectively.
- h) "**Client**" means the party or parties engaging CPT for Services as set forth in the Bid, namely Plaintiff Counsel and/or Defense Counsel.
- i) "**Confidential Information**" means any non-public information of CPT or Client disclosed by either Party to the other Party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other Party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing Party. Confidential Information shall also include the terms of this Agreement, except where this Agreement specifically provides for disclosure of certain items. Confidential Information shall not, however, include the existence of the Agreement or any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.
- j) "**Court Order**" means a legal command or direction issued by a court, judicial office, or applicable administrative body requiring one or more Parties To The Case to carry out a legal obligation pursuant to the Case.
- k) "**Defendant**" means the named Party and/or Parties in the Case against whom action is brought.
- l) "**Defense Counsel**" means the attorney(s) of record for the Defendant(s) in the Case.
- m) "**Intellectual Property Right**" means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising in any jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
- n) "**Member**" means an individual who is eligible under the Case or Class to receive a communication about their pending legal rights under the matter and/or designated amount of the Settlement, including the named Plaintiff(s) in the Case and all other putative persons or other parties in the representative action so designated or addressed therein.
- o) "**Member Content**" means all Member written document communications relating to the Case, including claim forms, opt-out forms, and/or objections, which may contain Member Data.
- p) "**Member Data**" means proprietary or personal data regarding Members under this Agreement.
- q) "**Parties To The Case**" shall mean collectively Defendant(s) and Plaintiff(s) as defined in the Settlement Agreement or Court Order.
- r) "**Plaintiff**" means the named party and/or parties in the Case who are bringing the action.
- s) "**Plaintiff Counsel**" means the attorney(s) of record for Plaintiff(s) in the Case, and/or upon certification by the Court the attorney(s) of record designated to represent the Class.
- t) "**Products**" means any and all CPT Services and work product resulting from Services.

- u) "**Qualified Settlement Fund**" or "**QSF**" means a bank account established pursuant to U.S. Department of Treasury Regulations §1468B-1.
 - v) "**Service**" means any service rendered by CPT specifically to Client, including, but not limited to: (i) notifications to Members; (ii) setting up a QSF with an Approved Bank; (iii) management of disbursement of funds from the QSF to applicable parties pursuant to the Settlement Agreement; (iv) provision of customer support relating to the Case; (v) management of Case claim forms and correspondence; and/or (vi) any administrative or consulting service.
 - w) "**Settlement Agreement**" means the contract between Parties To The Case to resolve the same, which specifies amounts to be disbursed from the Qualified Settlement Fund to attorneys, CPT, and individual Members.
 - x) "**Settlement Amount**" means the total dollar amount agreed to between Parties To The Case to resolve the Case to mutual satisfaction.
 - y) "**Software**" means any and all of CPT's software applications, including, without limitation, all updates, revisions, bug-fixes, upgrades, and enhancements thereto.
 - z) "**Transmission Methods**" means the secure authorized manner to send Member Data and/or Wire Information as specified on a schedule or exhibit hereto.
 - aa) "**Term**" means the period commencing on the date set forth on the Bid and continuing until the date of final judgment (if a settlement) or upon completion of all Services as set forth in the Bid.
 - bb) "**Wire Information**" means instructions for (i) Defense Counsel to transfer funds from Defendant to the Qualified Settlement Fund or (ii) CPT to transfer funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement.
2. Client Obligations. Client will ensure that it has obtained all necessary consents and approvals for CPT to access and use Member Data for the purposes permitted under this Agreement and shall only transmit Member Data and/or Wire Information to CPT via the Transmission Methods. Client shall use and maintain appropriate administrative, technical, and physical safeguards designed to protect Member Data provided under this Agreement. Client further warrants that any Member Data, Wire Information, or other content, data, materials or information it transmits shall be free of viruses, worms, Trojan horses, or other harmful or disabling codes which could adversely affect Member Data and/or CPT. If Client is in breach of this section, CPT may suspend Services, in addition to any other rights and remedies CPT may have at law or in equity.
3. CPT Obligations. CPT will (i) maintain appropriate safeguards designed to protect Member Data, including regular back-ups, security and incident response protocols, and (ii) not access or disclose Member Data except (A) as compelled by law, (B) to prevent or address service or technical issues, (C) in accordance with this Agreement or the provisions of the Settlement Agreement, or (D) if otherwise permitted by Parties To The Case, Members, Plaintiff Counsel or Defense Counsel as applicable.
4. Security. Client and CPT shall each use reasonable administrative, technical, and physical safeguards that are reasonably designed to: (a) protect the security and confidentiality of any Member Data in its possession or control under this Agreement; (b) protect against any anticipated threats or hazards to the security or integrity of such Member Data; (c) protect against unauthorized access to or use of such Member Data that could result in substantial harm or inconvenience to any individual; and (d) protect against unauthorized access to or use of such Member Data in connection with its disposal.
- a) Incident Notification. In the event a Party discovers that Member Data relating to the Case is the subject of (i) any unauthorized acquisition, loss, access or use and/or (ii) an actual or suspected breach concerning such Party's systems (items (i) and/or (ii) a "**Security Incident**"), or a Party has a reasonable belief that a Security Incident has occurred or is at risk of occurring, such Party will promptly but no later than forty-eight (48) hours of its discovery of such circumstances, inform the other Parties in the event of such Security Incident, and shall utilize best efforts to assist the other Parties to mitigate the effects of such Security Incident.
 - b) Response Procedures. In the event of a Security Incident, the breached party shall (i) cooperate with any reasonable investigation concerning the Security Incident by the other Parties, regulators and/or law enforcement; and (ii) cooperate with the other Parties to comply with Applicable Laws concerning such Security Incident, including any notification to affected individuals. The Parties acknowledge that the breached party in any Security Incident shall be the Party responsible for

any and all remedies and costs under Applicable Laws concerning such Security Incident, unless such breach occurred due to another Party's actions hereunder, in which instance such party shall be comparatively responsible for all remedies and costs. In no event will any Party serve notice or otherwise publicize a Security Incident without the prior written consent of the other Parties. The Parties shall reasonably cooperate and coordinate with each other to respond to the Security Incident, including with regard to the content of notification to affected individuals.

6. **Qualified Settlement Fund Account.** When the Case has a Settlement Amount CPT shall be authorized to establish one or more QSF bank accounts at an Approved Bank if and as applicable to the Services as set forth in the Bid. The amounts held at the Approved Bank under this Agreement are at the sole risk of Defendant. Without limiting the generality of the foregoing, CPT shall have no responsibility or liability for any diminution of the funds that may result from the deposit thereof at the Approved Bank, including deposit losses, credit losses, or other claims made against the Approved Bank. It is acknowledged and agreed that CPT has acted reasonably and prudently in depositing funds at an Approved Bank, and CPT is not required to conduct diligence or make any further inquiries regarding such Approved Bank.

7. **Fees and Payment.** Pricing for Services is as stated on the Bid, and Client agrees to pay CPT in the amounts set forth on the Bid. Client will be invoiced per the schedule set forth in the Bid, and payment of fees will be due within 30 days after the date of the invoice, except where the Bid or terms of the Settlement Agreement or Court Order expressly prescribes other payment dates. All fees set forth in a Bid are in U.S. dollars, must be paid in U.S. dollars, and are exclusive of taxes and applicable transaction processing fees. Late payments hereunder will incur a late charge of 1.5% per month (or the highest rate allowable by law, whichever is lower) on the outstanding balance from the date due until the date of actual payment, which such late charge(s) may be charged against the QSF account if incurred in connection with Services provided pursuant to administration of a settlement. In addition, Services are subject to suspension for failure to timely remit payment therefor. If travel is required to effect Services, Client shall reimburse CPT for pre-approved, reasonable expenses arising from and/or relating to such travel, including, but not limited to, airfare, lodging, meals, and ground transportation. In connection with CPT's administration of a QSF, unless otherwise stated in the Settlement Agreement or Court Order concerning disbursement of unclaimed funds in the QSF account, CPT reserves the right, after one (1) year of issuance of disbursements to Members, to classify any remaining balance in such QSF account as additional administrative fees payable to CPT until such time as the QSF account balance becomes zero (\$0.00), and thereafter close such account. Client is aware that CPT may receive financial benefits, including discounts on certain banking services and competition for services that ensure eligibility for FDIC deposit insurance or in connection with the establishment of QSF accounts. Client agrees that any such financial benefit may be retained by CPT as additional compensation for CPT's services.

8. **Term and Termination.**

- a) **Term.** The Term is set forth in the Bid. The Agreement may be renewed by mutual written agreement of the parties.
- b) **Termination for Cause.** Either Party may immediately terminate this Agreement if the other Party materially breaches its obligations hereunder, and, where capable of remedy, such breach has not been materially cured within forty-five (45) days of the breaching Party's receipt of written notice describing the breach in reasonable detail.
- c) **Bankruptcy Events.** A Party may immediately terminate this Agreement if the other Party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.
- d) **Effect of Termination.** Immediately following termination of this Agreement, upon written request, Member Data may be retrieved via the secure FTP site in the same format in which the Member Data was originally input into the Software, at no additional charge. Alternatively, Member Data can be returned in a mutually agreed format at a scope and price to be agreed upon. CPT will maintain a copy of Member Data and Member Content for no more than four (4) years following the date of the final check cashing deadline for Members under the Settlement Agreement, after which time any Member Data and Member Content not retrieved will be destroyed.
- e) **Final Payment.** If Client terminates this Agreement due to Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination," Client shall pay CPT all fees invoiced through the termination date, plus all fees remaining to be invoiced during the Term, less any costs CPT would have incurred had the Agreement not been terminated.

9. **Confidentiality.** Each Party agrees: (i) not to disclose any Confidential Information to any third parties except as mandated by law and except to those subcontractors of CPT providing Products hereunder who agree to be bound by confidentiality obligations no less stringent than those set forth in this Agreement; (ii) not to use any Confidential Information for any purposes except carrying out such Party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such Party uses to protect its own confidential information; provided, however, that such Party shall use at least reasonable care. These obligations shall survive termination of this Agreement.

- a) **Compelled Disclosure.** If receiving Party is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of law, such Party shall (i) promptly notify the other Party, (ii) reasonably cooperate with the other Party in such Party's efforts to prevent or limit such compelled disclosure and/or obtain confidential treatment of the items requested to be disclosed, and (iii) shall disclose only that portion of such information which each Party is advised by its counsel in writing is legally required to be disclosed.
- b) **Remedies.** If either Party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other Party shall be entitled to seek equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as monetary damages.

10. **Intellectual Property.** CPT retains all right, title and interest (including, without limitation, all Intellectual Property Rights) in and to the Products. CPT does not claim any ownership rights to Member Data.

11. **Indemnification.** Client agrees to indemnify, defend, and hold harmless CPT, its Affiliates, and the respective officer, directors, consultants, employees, and agents of each (collectively, "**Covered CPT Parties**") from and against any and all third party claims and causes of action, as well as related losses, liabilities, judgments, awards, settlements, damages, expenses and costs (including reasonable attorney's fees and related court costs and expenses) (collectively, "**Damages**") incurred or suffered by CPT which directly relate to or directly arise out of (i) Client's breach of this Agreement; (ii) CPT's performance of Services hereunder; (iii) the processing and/or handling of any payment by CPT; (iv) any content, instructions, information or Member Data provided by Client to CPT in connection with the Services provided by CPT hereunder. The foregoing provisions of this section shall not apply to the extent the Damages relate to or arise out of CPT's willful misconduct. To obtain indemnification, indemnitee shall: (i) give written notice of any claim promptly to indemnitor; (ii) give indemnitor, at indemnitor's option, sole control of the defense and settlement of such claim, provided that indemnitor may not, without the prior consent of indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases indemnitee of all liability; (iii) provide to indemnitor all available information and assistance; and (iv) not take any action that might compromise or settle such claim.

12. **Warranties.** Each Party represents and warrants to the other Party that, as of the date hereof: (i) it has full power and authority to execute and deliver the Agreement; (ii) the Agreement has been duly authorized and executed by an appropriate employee of such Party; (iii) the Agreement is a legally valid and binding obligation of such Party; and (iv) its execution, delivery and/or performance of the Agreement does not conflict with any agreement, understanding or document to which it is a party. CPT WARRANTS THAT ANY AND ALL SERVICES PROVIDED BY IT HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL MANNER CONSISTENT WITH PREVAILING INDUSTRY STANDARDS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CPT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE

13. **Liability.**

- a) **Liability Cap.** EXCEPT FOR A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, WILL BE LIMITED TO THE TOTAL FEES PAID OR PAYABLE BY CLIENT AND/OR THE PARTIES TO THE CASE TO CPT HEREUNDER. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT EXPAND SUCH LIMIT. THE PARTIES ACKNOWLEDGE THAT THE FEES AGREED UPON BETWEEN CLIENT AND CPT ARE BASED IN PART ON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ANY ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE FOREGOING LIMITATION SHALL NOT APPLY TO A PARTY'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.
- b) **Exclusion of Consequential Damages.** NEITHER PARTY WILL BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR ANY OTHER INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT,

REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

14. Communications. CPT may list Client's name and logo alongside CPT's other clients on the CPT website and in marketing materials, unless and until Client revokes such permission. CPT may also list the Case name and/or number, and certain Qualified Settlement Fund information, on the CPT website and in marketing materials, unless stated otherwise in the Settlement Agreement.

15. Miscellaneous Provisions.

- a) Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America, without regard to conflict of law principles. CPT and Client agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of Orange, and each of CPT and Client hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.
- b) Force Majeure. Neither Party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including without limitation acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such Party's reasonable control, provided that the delayed Party: (i) gives the other Party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.
- c) Counterparts. This Agreement may be executed in any number of counterparts and electronically, each of which shall be an original but all of which together shall constitute one and the same instrument.
- d) Entire Agreement. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the Parties with respect to such subject matter. The schedules and exhibits hereto constitute a part hereof as though set forth in full herein.
- e) Modifications. Any modification, amendment, or addendum to this Agreement must be in writing and signed by the Parties.
- f) Assignment. Neither Party may assign this Agreement or any of its rights, obligations, or benefits hereunder, by operation of law or otherwise, without the other Party's prior written consent; provided, however, either Party, without the consent of the other Party, may assign this Agreement to an Affiliate or to a successor (whether direct or indirect, by operation of law, and/or by way of purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such Party, where the responsibilities or obligations of the other Party are not increased by such assignment and the rights and remedies available to the other Party are not adversely affected by such assignment. Subject to that restriction, this Agreement will be binding on, inure to the benefit of, and be enforceable against the parties and their respective successors and permitted assigns.
- g) No Third-Party Beneficiaries. The representations, warranties, and other terms contained herein are for the sole benefit of the Parties hereto and their respective successors and permitted assigns and shall not be construed as conferring any rights on any other persons.
- h) Statistical Data. Without limiting the confidentiality rights and Intellectual Property Rights protections set forth in this Agreement, CPT has the perpetual right to use aggregated, anonymized, and statistical

data ("Statistical Data") derived from the operation of the Software, and nothing herein shall be construed as prohibiting CPT from utilizing the Statistical Data for business and/or operating purposes, provided that CPT does not share with any third-party Statistical Data which reveals the identity of Client, Client's Class Members, or Client's Confidential Information.

- i) Export Controls. Client understands that the use of CPT's Products is subject to U.S. export controls and trade and economic sanctions laws and agrees to comply with all such Applicable Laws, including the Export Administration Regulations maintained by the U.S. Department of Commerce and the trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control.
- j) Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.
- k) Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, sent by electronic delivery, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other Party as set forth on the Bid or at such other address as may hereafter be furnished in writing by either Party hereto to the other Party. Such notice will be deemed to have been given as of the date it is delivered, if by personal delivery; the next business day, if deposited with an overnight courier; upon receipt of confirmation of electronic delivery (if followed up by such registered or certified mail); and five days after being so mailed.
- l) Independent Contractors. Client and CPT are independent contractors, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between Client and CPT. Each Party understands that it does not have authority to make or accept any offers or make any representations on behalf of the other. Neither Party may make any statement that would contradict anything in this section.
- m) Subcontractors. CPT may use subcontractors to perform Client-specific Services; provided, however, that CPT shall be responsible for its subcontractors' performance of Services under this Agreement.
- n) Headings. The headings of the sections of this Agreement are for convenience only, do not form a part hereof, and in no way limit, define, describe, modify, interpret, or construe its meaning, scope or intent.
- o) Waiver. No failure or delay on the part of either Party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power, or remedy.
- p) Acceptance. If, when requested in writing by Client, CPT then provides any Service to Client, whether or not such Services were specified in the original Bid, these Terms and Conditions shall apply to the provision of such Services and be deemed accepted and approved by Client concerning such Services.
- q) Survival. Sections of the Agreement intended by their nature and content to survive termination of the Agreement shall so survive.

Exhibit 4



ELM Solutions

2022 Real Rate Report[®]

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

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Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors¹ that drive rates²:

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

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

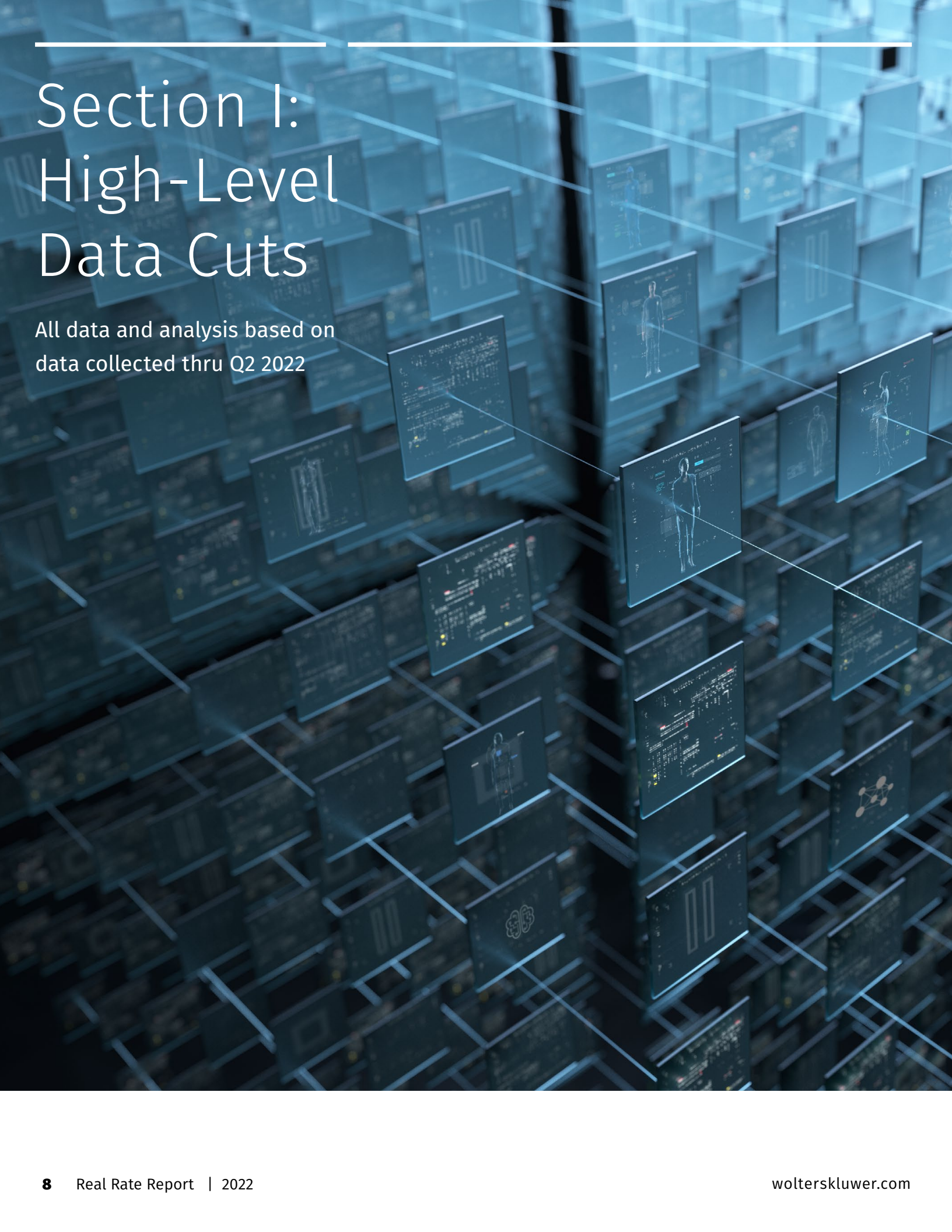
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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

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

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

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

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



Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

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

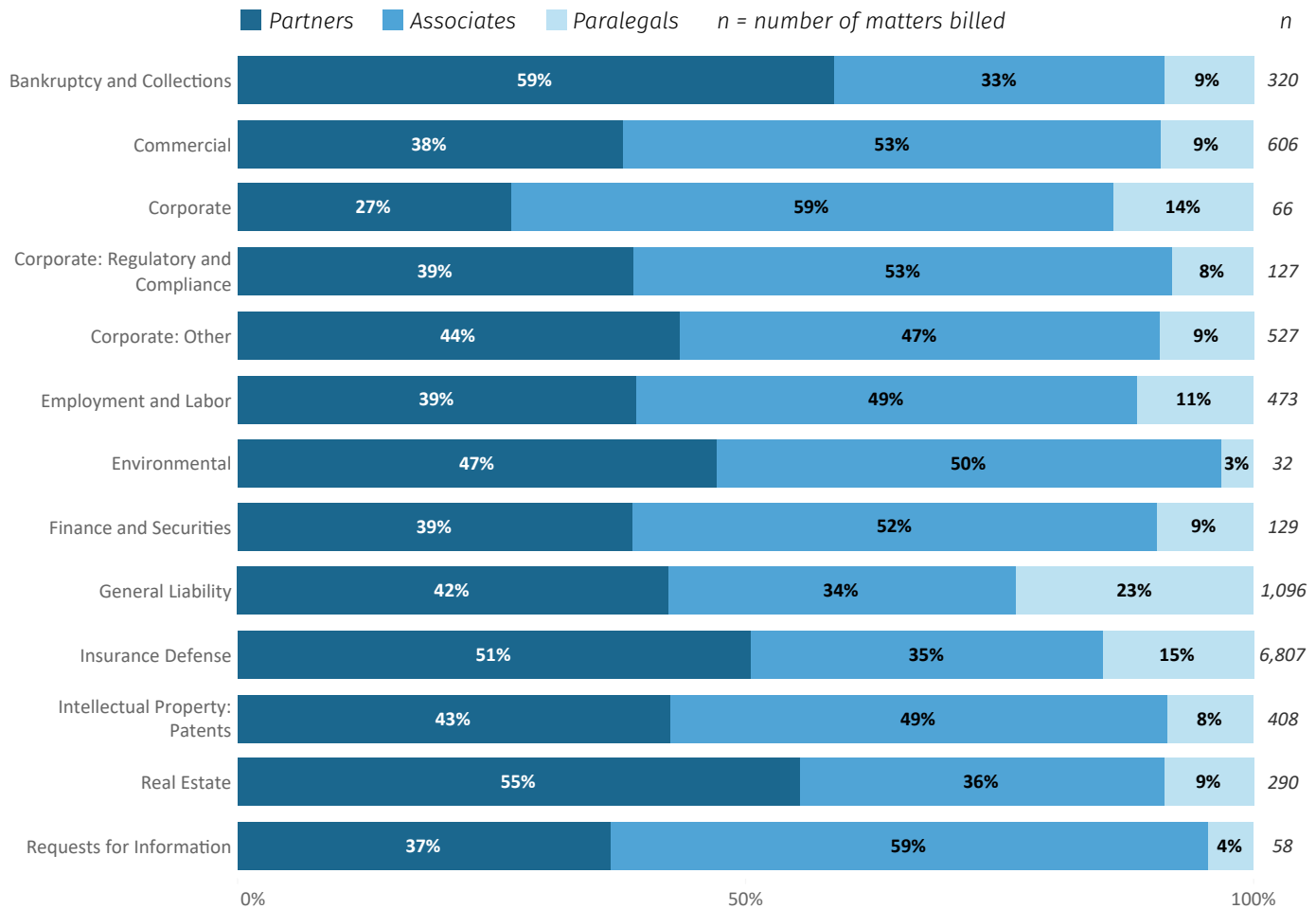
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate¹

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

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

Employment and Labor

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

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

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

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

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

General Liability

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

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

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

Exhibit 5

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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](#).



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](#)

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