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

JASPER MARTINEZ, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiff,

vs.

INLAND STAFFING, INC., a California
corporation; 3 WAY THRIFT STORE, INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: CIVSB2428153

Assigned to Hon. Nicole Quintana Winter,
Dept. S29

Complaint Filed: September 16, 2024

FAC Filed: October 18, 2024

Trial Date: None Set

CLASS & REPRESENTATIVE ACTION

**DECLARATION OF CONOR J.D. GOMEZ
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: April 21, 2026

Time: 9:00 a.m.

Dept: S29

1 I, Conor J.D. Gomez, declare as follows:

2 1. I am admitted, in good standing, to practice as an attorney in the State of California
3 and the United States District Courts for the Northern District of California. I am a Settlement
4 Attorney at Wilshire Law Firm, PLC (“WLF”), counsel of record for Plaintiff Jasper Martinez
5 (“Plaintiff” or “Class Representative”). I, along with Alan Wilcox and Lucy Nguyen of WLF, have
6 reviewed the case files for this matter as routinely kept by WLF in the course of litigation and
7 conferred with my colleagues, Tyler J. Woods, James Yoo, Heriberto Ponce, Ruby Carrera of WLF
8 (collectively and inclusively “Class Counsel”). Based upon the information available to Class
9 Counsel through WLF’s record-keeping processes, I am competent to make this declaration (this
10 “Declaration”). This Declaration is submitted concurrently with and in support of Plaintiff’s
11 Motion for Preliminary Approval of Class Action Settlement (the “Motion”).

12 CASE BACKGROUND

13 2. This is a wage and hour class action and Private Attorneys General Act (“PAGA”)
14 (Cal. Lab. Code §§ 2699, *et seq.*) representative action between Plaintiff and Defendants Inland
15 Staffing, Inc. and 3 Way Thrift Store, Inc. (“Defendants,” and together with Plaintiff, the
16 “Parties”). Plaintiff and the putative class members performed work for Defendants, or any of
17 them, in California as hourly-paid or non-exempt employees for Defendant Inland Staffing, Inc.
18 (each a “Class Member” and collectively the “Class”) between September 16, 2020, and September
19 6, 2025 (the “Class Period”). Defendant Inland Staffing, Inc. is a staffing agency operating in
20 California and Defendant 3 Way Thrift Store, Inc. is a thrift store in Chino, California.

21 3. Plaintiff alleges that Defendants’ payroll, timekeeping, and wage and hour
22 practices resulted in Labor Code violations. Specifically, Plaintiff alleges that Defendants failed
23 to pay for all hours worked (minimum, straight time, and overtime wages), failed to provide
24 meal periods, failed to authorize and permit rest periods, failed to timely pay final wages, failed
25 to furnish accurate wage statements, failed to pay reporting time pay, and Defendants failed to
26 indemnify for business expenses.

1 4. Based on these allegations, on September 16, 2024, Plaintiff filed a putative wage
2 and hour class action complaint against Defendants for: (1) failure to pay minimum and straight
3 time wages (Labor Code §§ 204, 1194, 1194.2, and 1197); (2) failure to pay overtime wages
4 (Labor Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and
5 512); (4) failure to authorize and permit rest periods (Labor Code § 226.7); (5) failure to timely
6 pay final wages at termination (Labor Code §§ 201-203); (6) failure to provide accurate itemized
7 wage statements (Labor Code § 226); (7) failure to provide reporting time pay (Lab. Code §
8 1198 and Cal. Code of Regs Title 8, § 11140, subd. 5(A)); (8) failure to indemnify employees
9 for expenditures (Labor Code § 2802); and (9) unfair business practices (Business and
10 Professions Code §§ 17200, *et seq.*). Plaintiff sent a notice to Defendants and the California
11 Labor & Workforce Development Agency (“LWDA”) alleging similar wage and hour violations
12 pursuant to the PAGA on June 20, 2024. Plaintiff sent an amended notice to Defendants and the
13 LWDA on September 16, 2024. On October 18, 2024, Plaintiff filed a First Amended Complaint
14 against Defendants adding a claim for civil penalties under PAGA (the “Operative Complaint”
15 or the “Action”). Plaintiff submitted the Operative Complaint to the LWDA on November 6,
16 2024.

17 DISCOVERY, INVESTIGATION, AND SETTLEMENT

18 5. Following the filing of the Action, the Parties exchanged documents and
19 information before going to mediation. Defendants produced a sample of time and pay records for
20 Class Members. Defendants also provided documents of its wage and hour policies and practices
21 during the Class Period, and information regarding the total number of current employees in its
22 informal discovery responses.

23 6. After reviewing documents regarding Defendants’ wage and hour policies and
24 practices and analyzing Defendants’ timekeeping and payroll records, Class Counsel was able to
25 evaluate the probability of class certification, success on the merits, and Defendants’ maximum
26 monetary exposure for all claims. Class Counsel also investigated the applicable law regarding the
27 claims and defenses asserted in the Action. Class Counsel reviewed these records and utilized an
28 expert to prepare a damages analysis prior to mediation.

SETTLEMENT NEGOTIATIONS

7. On March 3, 2025, the Parties participated in private mediation with experienced class action mediator Daniel Turner, Esq. The mediation was conducted via Zoom. The settlement negotiations were at arm's length and, although conducted in a professional manner, were adversarial. The Parties went into the mediation willing to explore the potential for a settlement of the Action, but the Parties were also prepared to litigate their position through trial and appeal if a settlement had not been reached. A settlement was not reached at this mediation, but the Parties continued negotiating with the assistance of the mediator, Daniel Turner, Esq.

8. After extensive negotiations and discussions regarding the strengths and weaknesses of Plaintiff's claims and Defendants' defenses, the Parties reached a settlement for \$225,000.00 (the "Gross Settlement Amount"), the material terms of which are encompassed within the Class Action and PAGA Settlement Agreement (the "Settlement" or "Settlement Agreement"). A true and correct copy of the Settlement Agreement is attached as **Exhibit 1**.

9. Class Counsel submitted the proposed Settlement to the LWDA before filing the Motion.

10. WLF requested several bids from experienced class action settlement administrators to serve as the settlement administrator for this Settlement. The Parties accepted the bid of Phoenix Class Action Administration Solutions (the "Settlement Administrator") which was the lowest out of the multiple bids sought. The Settlement Administrator has multiple years of experience in the field of Class Action Administration, particularly in the wage and hour arena. In its bid, the Settlement Administrator agreed to cap its costs at \$16,750.00 for 1,988 Class Members. The Settlement Administrator's bid accounts for serving the class notice in English and Spanish. A true and correct copy of the bid is attached as **Exhibit 2**.

11. Plaintiff does not have any interest, financial or otherwise, in the Settlement Administrator.

12. No one at WLF (meaning the law firm itself and anyone employed at the law firm) has any interest, financial or otherwise, in the Settlement Administrator.

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

1 THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

2 14. Class Counsel has conducted a thorough investigation into the facts of this case.
3 Based on the foregoing discovery and their own independent investigation and evaluation, Class
4 Counsel is of the opinion that the Settlement is fair, just, reasonable, and adequate and is in the
5 best interests of the Class Members in light of all known facts and circumstances, the risk of
6 significant delay, the defenses that could be asserted by Defendants both to certification and on the
7 merits, trial risk, and appellate risk.

8 15. Based on an analysis of the facts and legal contentions in this case, documents and
9 information from Defendants, Class Counsel evaluated Defendants' maximum exposure. We took
10 into account the risk of not having the claims certified and the risk of not prevailing at trial, even
11 if the claims are certified. After using the data Defendants provided, including Class Member
12 timekeeping and payroll records, as well as Class Member demographics (i.e., the number of Class
13 Members, "Workweeks" (any week during which a Class Member worked for Defendants for at
14 least one hour during the Class Period)), PAGA Pay Periods (any week or bi-week pay period
15 during which an Aggrieved Employee worked for Defendants for at least one hour during the
16 PAGA Period), with the assistance of a statistics expert, Class Counsel created a damages model
17 to evaluate the realistic range of potential recovery for the Class. The damages model is based on
18 the following benchmarks:

19 Total Class Members: 1,831

20 Terminated Class Members during 3-year statute of limitations period: 92¹

21 Total Workweeks: 31,758

22 PAGA Pay Periods: 6,478²

23 PAGA Eligible Employees: 386

24
25 ¹ Defendants claimed no employees have been terminated since they remain active for placement, but for
26 purposes of Plaintiff's maximum exposure model at mediation we assumed at least 5% of the Class Members had not
27 received a new placement or had found other work and we assumed these are former employees for the purpose of
28 calculating waiting time penalties.

² Based on Defendant's record, there are approximately 299 Aggrieved Employees who worked a total of
approximately 9,420 weekly pay periods and approximately 87 Aggrieved Employees who worked a total of
approximately 1,728 bi-weekly pay periods during the PAGA Period.

Avg. Hourly Rate: \$16.78

16. Based on Plaintiff's discovery and investigation, Plaintiff alleged that Defendants 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 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. Defendants deny these claims.

17. For purposes of calculating Defendants' liability based on a best-case scenario for Plaintiff and the Class, we estimate that Defendants' 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 Defendants are liable for 2 hours of unpaid worktime per workweek. This results in an estimate of \$1,598,697.72 (31,758 weeks * \$16.78 hourly average rate * 1.5 overtime rate * 2 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 Defendants knew or should have known that Class Members were working off-the-clock, yielding a realistic damage estimate of \$319,739.54.³

18. With respect to the meal period claim, Plaintiff alleges that Defendants 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 expert analyzed Defendants' timekeeping records and opined that approximately 25% 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 \$666,124.05 (31,758 weeks * 25% * \$16.78 * reasonable estimate of 5 shifts a week). We discounted this figure by 80% to account for the difficulty of certifying and proving meal period claims, as well as Defendants' contention that the claim lacks merit,

³ 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>.

1 particularly in light of its numerous meal period premium payments, yielding a realistic damage
2 estimate of \$133,224.81.

3 19. With respect to the rest period claim, Plaintiff alleges that Defendants required them
4 and similarly situated class members to work in lieu of taking rest periods, or their rest periods
5 were interrupted. Assuming a 98.6% violation rate for the Class Period, Defendants' potential
6 liability for the rest period claim is \$2,627,193.25 (31,758 weeks * 98.6% * \$16.78 * reasonable
7 estimate of 5 shifts a week); however, we discounted this figure by 90% to account for the difficulty
8 of certifying and proving rest period claims, particularly because rest periods do not have to be
9 recorded, and to account for the possibility of class members voluntarily choosing to forego a rest
10 period, yielding a realistic damage estimate of \$262,719.33.

11 20. Plaintiff also alleges that Defendants failed to reimburse necessary business
12 expenses. Plaintiff alleges that Plaintiff and similarly situated Class Members were frequently
13 required to buy steel-toed boots, rain ponchos, and sun protection, and they had to use personal
14 cell phone for work-related tasks without adequate reimbursement. For purposes of calculating
15 Defendants' potential liability based on a best-case scenario for Plaintiff and the Class, we
16 estimated that Defendants were liable to each Class Member for \$50 per month, or \$12.50 per
17 workweek, in unreimbursed expenses, for a total amount of \$396,975.00 (\$12.50 * 31,758);
18 however, we discounted this figure by 80% to account for the difficulty of certifying and proving
19 expense reimbursement claims, particularly in light of written policies and practices providing a
20 mechanism for class member's to seek reimbursement, yielding a realistic damage estimate of
21 \$79,395.00.

22 21. In sum, we estimated that Plaintiff's maximum recovery for the off-the-clock claim,
23 meal period violations, rest period violations, and failure to reimburse expenses is \$5,288,990.02,
24 but, after factoring in the risk and uncertainty of prevailing at certification and trial, we estimate
25 that Plaintiff's realistic estimated recovery for the non-penalty claims is \$795,078.68.

26 22. With respect to Plaintiff's derivative claims for statutory and civil penalties,
27 Plaintiff estimated that Defendants' realistic potential liability is \$319,171.66. While Defendants'
28 maximum potential liability for: waiting time penalties is \$319,558.32 based on the reasonable

1 estimate of 92 terminated class members during the 3-year statute of limitations period (92 *
2 \$16.78 * 6.9 hours (average shift length) * 30 days); inaccurate wage statements is \$628,500.00
3 based on approximately 386 class members who worked approximately 6,478 pay periods within
4 the 1-year statute of limitations period (\$50 *386) + (\$100 * 6,092); and PAGA violations
5 \$647,800.00 based on the Court assessing a \$100 penalty for initial violations for all 6,478 pay
6 periods within the 1-year statute of limitations period, we believe that it would be unrealistic to
7 expect the Court to award the full \$1,595,858.32 in penalties given Defendants' defenses, the
8 contested nature of Plaintiff's claims, and the discretionary nature of penalties. Considering that
9 the underlying claims are realistically estimated to be \$795,078.68, such a disproportionate award
10 would also raise due process concerns. Weighing these factors and applying a discount of 80% to
11 account for the risk and uncertainty of prevailing at trial and the Court's discretionary ability to
12 lower penalties, we arrived at \$319,171.66 for statutory and civil penalties.

13 23. Using these estimated figures, Plaintiff predicted that the realistic maximum
14 recovery for all claims, including penalties, would be \$1,114,250.34. This means that the
15 \$225,000.00 settlement figure represents approximately 20% of the realistic maximum recovery
16 ($\$225,000.00 / \$1,114,250.34 = 20\%$). Considering the risk and uncertainty of prevailing at class
17 certification and at trial, this is an excellent result for the Class.⁴ Indeed, because of the Settlement,
18 Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable
19 judgment.

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

23 25. This Settlement avoids the risks and the accompanying expenses of further
24 litigation. Although the Parties had engaged in significant amount of investigation, informal

25
26 ⁴ See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019) 2019 WL 3943859 at
27 *8 (granting preliminary approval where the proposed allocation to settle class claims was between 9.53 percent of
28 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.").

discovery and Class-wide data analysis, the Parties had not yet completed formal written discovery. Plaintiff intended to depose corporate officers and managers of Defendants. Moreover, preparation for a class certification and a trial remained for the Parties as well as the prospect of appeals in the wake of a disputed class certification ruling for Plaintiffs and/or adverse summary judgment ruling. Had the Court certified any claims, Defendants 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. \$75,000.00 (1/3 of the Gross Settlement Amount for Class Counsel's attorneys' fees (the "Class Counsel Fees Payment");
- b. \$25,000.00 for Class Counsel's litigation expenses (the "Class Counsel Litigation Expenses Payment");
- c. \$16,750.00 in administration costs (the "Administration Costs");
- d. \$11,250.00 payment for the Settlement of claims for penalties under the PAGA (the "PAGA Penalties"); and
- e. \$10,000.00 for the service award to Plaintiff for serving as the Class Representative (the "Enhancement Award")

27. The Net Settlement Amount is estimated to be \$87,000.00 for the Class. As a result, each Class Member is eligible to receive an average net benefit of approximately \$47.52. 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.

THE ENHANCEMENT AWARD 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 has taken many actions to protect the interests of the Class. Plaintiff provided valuable information

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

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

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

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

28 ///

1 THE REQUEST FOR CLASS COUNSEL FEES AND COSTS IS REASONABLE

2 33. I believe that the Class Counsel Fees Payment and Class Counsel Litigation
3 Expenses Payment are reasonable. The fee percentage requested is less than that charged by Class
4 Counsel for most employment cases. Class Counsel invested significant time and resources into
5 the Action, with 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 Defendants 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 companies 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 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 Conor Gomez Qualifications

9 39. I am a fifth-year Settlement Attorney at WLF where I am responsible
10 for finalizing resolved class action and PAGA matters, ensuring that they are carried through the
11 approval and distribution process in an efficient manner and in compliance with Court orders. I
12 graduated from the University of California, Los Angeles School of Law in May 2020, and I passed
13 the California Bar Exam on my first try and was admitted to practice in May 2021. I am admitted
14 to practice law in the State of California and the Northern District of California.

15 40. I am also an adjunct professor at the Thomas Jefferson School of Law in San
16 Diego, California, and I serve as a Bar Exam Preparation mentor to various law students in San
17 Diego, California. I graduated from the University of California, San Diego in 2017 with a
18 Bachelor of Arts degree in Sociology, with a specific concentration in Law & Society. During law
19 school, I also obtained credentials in course design, teaching innovation and technology, and
20 business administration from the University of California, Irvine. I was awarded the Masin Family
21 Foundation Gold Award for my academic performance in law school.

22 41. I started my career representing both for-profit and non-profit/tax-exempt
23 organizations, and I utilize those skills to achieve strong results for my clients now because I have
24 sat on the other side of the table representing businesses. I have practiced in Plaintiff-side
25 employment litigation for several years now, and I have a strong record of reaching settlement for
26 individual wage and hour and FEHA claims with results regularly landing in the six-figure range.
27 I have worked with several firms gaining increasing responsibility, and I have regularly mentored
28 dozens of new attorneys teaching them the basics of employment law and litigation strategy to

1 achieve efficient results. I transitioned to this role at WLF to capitalize on my strengths of reaching
2 settlement, creating efficient workflows, drafting clear and concise agreements and motions, and I
3 wanted to achieve maximal results for larger classes of workers.

4 42. I have served on the board of directors for local arts organizations and regularly host
5 workshops throughout southern California. I have guest lectured at the University of California,
6 Irvine on various legal topics. I am also a certified mediator and serve on the California
7 Lawyers for the Arts' mediation panel, where I volunteer my time to mediate a wide range of cases
8 from artistic business and ownerships disputes and employment disputes. I have been appointed as
9 class counsel in other wage-and-hour cases throughout California, including, most recently, *Lucero*
10 *v. Nissho of California, Inc.*, 37-2021-00001528-CU-OE-CTL consolidated with case: 37-2022-
11 00012006-CU-OE-CTL; Motion for Final Approval Granted on February 20, 2026.

12 43. I believe my hourly rate is reasonable given my experience and when compared to
13 other similarly experienced attorneys in this practice and geographic location. The reasonableness
14 of my and my colleagues' hourly rates is also supported by several surveys of legal rates,
15 including the following:

16 a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents
17 the real market rates of Los Angeles area attorneys who practice litigation. For
18 that category, the third quartile 2022 rate was \$1,045 per hour for partners and
19 \$855 for associates. Likewise, page 32 of the Report describes the rates charged
20 by 183 Los Angeles partners with "21 or more years of experience" and "Fewer
21 than 21 years." For those categories, the third quartile Los Angeles partner rate
22 in 2022 was \$1,133 per hour for 21 or more years and \$1,075 for attorneys with
23 fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate
24 Report is attached hereto as **Exhibit 3**.

25 b. In an article entitled "Big Law Rates Topping \$2,000 Leave Value 'In Eye of
26 Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9,
27 2022, the author describes how Big Law firms have crossed the \$2,000-per hour
28 rate. The article also notes that law firm rates have been increasing by just under

3% per year. A true and correct copy of this article is attached hereto as Exhibit

4.

Alan Wilcox Qualifications

44. Alan Wilcox is a Senior Attorney at WLF. He graduated from the University of California, Berkeley in 2007, and graduated from Pepperdine University's School of Law and became a member of the California State Bar in 2012. Throughout his career, Alan 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 matters. From 2014 to the present, he has exclusively practiced complex civil litigation representing plaintiff employees in employment matters. He has handled both individual wrongful discharge and collective wage and hour actions, with the 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.

Tyler Woods Qualifications

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

46. Upon graduating from law school in 2004, Mr. Woods worked for international firm McDermott Will & Emery LLP practicing general litigation which included employment law matters. Since 2010, and exclusively since 2013, his practice has focused on labor and employment matters including handling wage and hour class, collective, and representative actions (including the California Private Attorneys general Act or "PAGA"), including at the law firms of McDermott Will & Emery LLP (where he was a partner), Pacific Trial Attorneys (where he was a partner), and labor and employment powerhouse Fisher Phillips (where he was a partner and head of Fisher

1 Phillips Class Action Practice Group). During his time at these law firms, he was the lead trial
2 counsel or took a major leading role in defending employers on numerous wage and hour class,
3 collective, and representative actions. Under his leadership as lead counsel during his tenure as
4 defense counsel he successfully defeated class certification of a potential 10,000 plus class as lead
5 counsel on behalf of a nationwide quick service restaurant during his time as defense counsel and
6 negotiated several wage and hour class actions that were subsequently approved by the Courts.

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

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

15 49. Mr. Woods has received numerous awards for his legal work. For example, from
16 2009-2011 and 2014, he was listed as a Rising Star in Los Angeles Super Lawyers (Thomas
17 Reuters). He has also served on numerous prominent boards and in other leadership positions,
18 including currently serving on the board of the Orange County Chapter of the California
19 Restaurants Association.

20 50. He has also presented monthly webinars on labor and employment issues to
21 hundreds of participants since 2022, including on wage and hour issues. For example, he presented
22 "10 Reasons Employers Get Sued (and How to Avoid These Mistakes)" (while a partner with
23 Fisher Phillips) and "Key Insights for Hospitality Employers: Arbitration Agreements 101" (while
24 a partner with Fisher Phillips).

25 Molly Desario Qualifications

26 51. Molly Desario was a Partner at my office. She graduated cum laude from the Carl
27 H. Lindner School of Business at the University of Cincinnati in 1999 and received her Juris Doctor
28 from Northeastern University School of Law in 2003. Ms. DeSario has over 19 years of experience

1 in litigating class action and mass litigation and has spent 16 years prosecuting class and PAGA
2 actions at well-known plaintiff-side wage and hour firms in California. As a Partner, Ms. DeSario
3 oversaw the prosecution of hundreds of representative wage and hour actions in California state
4 and federal courts.

5 James Yoo Qualifications

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

16 Heriberto Ponce Qualifications

17 53. Heriberto Ponce is an Attorney at WLF, where he focuses his practice on complex
18 employment litigation, including class and representative actions under the California Private
19 Attorneys General Act (“PAGA”). He graduated from the University of Iowa College of Law in 2021
20 and was admitted to practice law in the State of California the same year. Before joining WLF,
21 Mr. Ponce practiced at Fisher Phillips LLP, where he represented private employers in a broad range
22 of labor and employment matters, including wage and hour disputes, discrimination, retaliation, and
23 other FEHA related claims. Prior to entering private practice, Mr. Ponce served as a Deputy District
24 Attorney with the Riverside County District Attorney’s Office, where he prosecuted criminal matters
25 and gained extensive courtroom experience.

26 Ruby Carrera Qualifications

27 54. Ruby Carrera is an Associate Attorney at WLF. She graduated from the University
28 of California, Davis with a Bachelor of Arts in Communications, and earned her Juris Doctor from

1 Santa Clara University School of Law in 2020. She was admitted to the California State Bar in
2 2022. Ruby has represented clients in both state and federal courts in a wide range of matters,
3 including wrongful termination, workplace harassment, wage and hour disputes, partition actions,
4 and real estate litigation. Before joining WLF, she focused her practice on single-plaintiff
5 employment cases, where she gained significant experience litigating wage and hour claims and
6 other employment-related disputes. She now focuses her practice on wage-and-hour law, including
7 Private Attorneys General Act of 2004 (“PAGA”) matters.

8 Lucy Nguyen Qualifications

9 55. Lucy Nguyen is a Settlement Class Action Attorney at Wilshire Law Firm, where
10 she represents employees in complex wage-and-hour, class, and representative actions under
11 California and federal labor laws. She focuses on wage and hour violations, PAGA and class action
12 settlements, retaliation and wrongful termination claims, and advancing employee rights and fair
13 compensation. Ms. Nguyen brings five years of litigation and courtroom experience, including two
14 years dedicated to employment law and three years in family law. Before joining Wilshire Law
15 Firm, she served at Lawyers for Employee and Consumer Rights (LFEER), where she trained and
16 mentored new attorneys and managed a high-volume caseload involving wage-and-hour,
17 discrimination, and retaliation matters. Earlier in her career, she practiced family law litigation,
18 representing clients in trials, evidentiary hearings, mediations, and complex custody and support
19 disputes. Ms. Nguyen earned her Bachelor of Science in Business Marketing and Management
20 from San Francisco State University.

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

23 Executed on March 13, 2026, in San Diego, California.

24
25 
26 _____
27 Conor J.D. Gomez
28

Exhibit 1

Tyler J. Woods, Esq. (SBN 232464)
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Attorneys for Plaintiff
JASPER MARTINEZ

[Additional counsel listed on the next page]

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

JASPER MARTINEZ, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiff,

vs.

INLAND STAFFING, INC., a California
corporation; 3 WAY THRIFT STORE, INC.,
a California corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No.: CIVSB2428153

*[Assigned for all purposes to: Hon. Nicole
Quintana Winter, Dept. S29]*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

Complaint Filed: September 26, 2024

FAC Filed: October 18, 2024

Trial Date: None Set

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14 *Attorneys for Defendants*
15 *INLAND STAFFING, INC.*

16
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25

26 *Attorneys for Defendant*
27 *3 WAY THRIFT STORE, INC.*
28

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Jasper Martinez (“Plaintiff”) and Defendant(s) Inland Staffing, Inc., and 3 Way Thrift Store, Inc. (collectively “Defendant(s)”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

1.1 “Action” means Plaintiff’s lawsuit alleging class action wage and hour violations against Defendants captioned *Jasper Martinez v. Inland Staffing, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2428153, filed on September 16, 2024. Plaintiff’s First Amended Complaint adding the PAGA Representative Action was filed on October 18, 2024.

1.2 “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means all individuals who performed work for Defendants, or any of them, as non-exempt employees of Inland Staffing, Inc., in California during the PAGA Period for remuneration, as more fully defined in Labor Code §§ 2775, *et seq.*, including current and former employees.

1.5 “Class” means all individuals who performed work for Defendants, or any of them, in California as an hourly-paid or non-exempt employee of Inland Staffing, Inc., during the Class Period, including current and former employees.

1.6 “Class Counsel” means Tyler J. Woods, James Yoo, Heriberto Ponce and Ruby Carerra of Wilshire Law Firm, PLC.

1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will request approval from the Court of up to, but not to exceed, one-third (1/3) of the GSA (currently estimated at \$75,000.00).

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$25,000.00, and paid from the GSA.

1.9 “Class Data” means Class Member identifying information in Defendants’ possession, custody, or control for each Class Member and Aggrieved Employee, including their name, last-known mailing address, Social Security Number, and number of Workweeks and/or PAGA Pay Periods worked by such individual.

1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A, and incorporated by reference into this Agreement.

1.13 “Class Period” or “Class Settlement Period” means the period from September 16, 2020, through September 6, 2025, inclusive.

1.14 “Class Representative” means the named Plaintiff Jasper Martinez in the Action.

1.15 “Class Representative Service Payment(s)” or “Enhancement Award(s)” means the payment to the Class Representative for initiating the Action and providing services in support of the Action not to exceed \$10,000.

1.16 “Court” means the Superior Court of California, County of San Bernardino.

1.17 “Defendants” means named Defendants Inland Staffing, Inc., and 3 Way Thrift Store, Inc.

1.18 “Defense Counsel” means JoLynn M. Scharrer of Hunt Ortmann Palffy Nieves Darling & Mah, Inc. (attorneys for Defendant 3 Way Thrift Store, Inc.) and Sarah Kroll-Rosenbaum, Anthony D. Sbardellati, Nancy Sotomayor, and Jade T. White of Grove Law LLP (attorneys for Defendant Inland Staffing, Inc.).

1.19 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.

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

1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 “Gross Settlement Amount” or “GSA” means \$225,000.00, which is the total amount Defendant Inland Staffing, Inc. agrees to pay under the Settlement, except as provided in Paragraph 8 below.

1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.

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

1.28 “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code § 2699, subd. (i).

1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs payment. The remainder is the Net Settlement Amount and is comprised of Individual Class Payments and PAGA Penalties.

1.30 “Non-Participating Class Member” means any Class Member who opts out of the class portion of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31 “Operative Complaint” means Plaintiff’s First Amended Class and PAGA Representative Action Complaint filed on October 18, 2024 in the Action.

1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*). “PAGA Pay Period” means either a weekly or bi-weekly pay period in which an Aggrieved Employee provided labor or services for Defendants, or any of them, in California during the PAGA Period for remuneration for one or more hours.

1.33 “PAGA Period” means the period from June 20, 2023, through September 6, 2025, inclusive.

1.34 “PAGA Notice(s)” means Plaintiff’s June 20, 2024 letter (LWDA-CM-1035402) to the LWDA and Defendants providing notice pursuant to Labor Code § 2699.3, subd.(a) as amended by Plaintiff’s September 16, 2024 Amended Notice of Labor Code Violations and PAGA Penalties.

1.35 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$11,250.00), allocated 35% to the Aggrieved Employees (\$3,937.50) and 65% to LWDA (\$7,312.50) in settlement of PAGA claims.

1.36 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.37 “Plaintiff” means Jasper Martinez the named plaintiff in the Action.

1.38 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.41 “Released Parties” means Defendants and Defendants’ past, present, and future owners, officers, directors, managers, agents, employees, attorneys, insurers, predecessors, successors, shareholders, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, managed service providers, clients, client’s facilities where Class Members and Aggrieved Employees performed work for Defendants, any and all entities that operate those facilities, any and all alleged joint employers, privies, and/or any and all persons and/or corporate entities acting by, through, under, or in concert with any of them.

1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Settlement signed by the Class Member. For the avoidance of doubt, an Aggrieved Employee may not request to be excluded from the Settlement as an Aggrieved Employee.

1.43 “Response Deadline” means sixty (60) days after the Administrator mails Class Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline expires.

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

1.45 “Workweek” means any workweek during which a Class Member provided labor or services for Defendants, or any of them, in California during the Class Period for remuneration for one or more hours.

1 2. **RECITALS.**

2 2.1 On September 16, 2024, Plaintiff filed the Action alleging among other things that
3 Defendants (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages;
4 (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to
5 timely pay final wages at termination; (6) failed to provide accurate itemized wage statements;
6 (7) failed to provide reporting time pay; (8) failed to indemnify employees for expenditures; and
7 (9) violated California's Unfair Competition Law, California Business and Professions Code
8 sections 17200, *et seq.* On June 20, 2024, pursuant to Labor Code §2699.3, subd.(a), Plaintiff
9 gave notice to the LWDA and Defendants that Plaintiff intended to proceed with a representative
10 action under PAGA (LWDA-CM-1035402-24). On September 16, 2024, Plaintiff gave an
11 Amended Notice of Labor Code Violations and PAGA Penalties to the LWDA and Defendants.
12 On October 18, 2024, after the 65-day statutory period passed, Plaintiff filed a First Amended
13 Complaint adding the PAGA claim, alleging claims for penalties pursuant to Labor Code §§ 2699,
14 *et seq.*

15 2.2 Defendants deny the allegations, any failure to comply with the law, and any and all
16 liability for the causes of action alleged in the Action, the Operative Complaint, and the PAGA
17 Notices.

18 2.3 On March 3, 2025, the Parties participated in an all-day mediation presided over by
19 mediator Daniel Turner. With the help of Mr. Turner, the Parties were able to reach an agreement
20 on general settlement terms following the mediation and executed a Memorandum of
21 Understanding thereafter.

22 2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts
23 of, and applicable law to, the Action. Prior to mediation, Plaintiff obtained and analyzed a
24 representative sampling of time and payroll data for Class Members and Aggrieved Employees
25 and the necessary policy documents through informal discovery to properly evaluate the strengths
26 and weakness of the claims and engage in meaningful settlement discussions. Plaintiff's
27 investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot*
28

Locker Retail, Inc., 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) (“*Dunk/Kullar*”).

2.5 The Court has not granted class certification because the Parties engaged in mediation before any class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant Inland Staffing, Inc. will pay \$225,000.00 on behalf of all Defendants to fully settle, resolve, and extinguish all claims that were, or reasonably could have been, alleged based on the facts contained in the Operative Complaint and the PAGA Notices. The Gross Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant Inland Staffing, Inc. will pay separately.

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

3.2.1 To Plaintiff: Payment of the Enhancement Award to Plaintiff of not more than \$10,000.00 in addition to any Individual Class Payment and any Individual PAGA Payment Plaintiff is entitled to receive as a Participating Class Member or Aggrieved Employee. Defendants will not oppose Plaintiff’s request for an Enhancement Award that does not exceed \$10,000.00. As part of the motion for the Class Counsel Fees Payment and Litigation Expenses Payment, Plaintiff will seek Court approval for any Enhancement Award no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves an Enhancement Award of less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for any and all taxes owed on the Enhancement Award.

1 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3)
2 of the GSA, which is currently estimated to be \$75,000.00, and a Class Counsel Litigation
3 Expenses Payment for actual costs not to exceed \$25,000.00. Defendants will not oppose requests
4 for these payments so long as they do not exceed the above indicated amounts. Plaintiff and/or
5 Class Counsel will file a motion for Class Counsel Fees Payment and Litigation Expenses
6 Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise
7 ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
8 Litigation Expenses Payment of less than the amounts indicated above, the Administrator will
9 allocate the remainder to the Net Settlement Amount for distribution to Participating Class
10 Members. Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel
11 arising from any claim to any portion of Class Counsel Fees Payment and/or Class Counsel
12 Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and
13 Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes
14 full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class
15 Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies
16 Defendants, from any dispute or controversy regarding any division or sharing of any of these
17 payments.

18 3.2.3 To the Administrator: Administration Costs payment for actual costs, not to exceed
19 \$20,000.00, except for a showing of good cause and as approved by the Court. To the extent the
20 Administration Costs are less or the Court approves payment of less than requested, the
21 Administrator will retain the remainder in the Net Settlement Amount to be distributed to
22 Participating Class Members.

23 3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by
24 (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
25 Participating Class Members during the Class Period, and (b) multiplying the result by the number
26 of Workweeks worked by each individual Participating Class Member.

27 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of
28 each Participating Class Member's Individual Class Payment will be allocated to the Settlement

of wage claims (the “Wage Portion”). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member’s Individual Class Payment will be allocated to the settlement of claims for interest and statutory penalties (the “Non-Wage Portion”). The Non-Wage Portions are not subject to tax withholding and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any other taxes owed on their Individual Class Payments.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis. The entire Net Settlement Amount will be disbursed to Participating Class Members.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$11,250.00 to be paid from the Gross Settlement Amount, with 65% (\$7,312.50) allocated to the LWDA PAGA Payment and 35% (\$3,937.50) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 35% share of PAGA Penalties (\$3,937.50) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee’s PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks. Based on a review of its records, Defendants estimate there were approximately 1,831 Class Members who worked a total of approximately 31,758 workweeks during the Class Period.

1 4.2 Aggrieved Employee Pay Periods. Based on a review of its records, Defendants estimate
2 there were approximately 299 Aggrieved Employees who worked a total of approximately 9,420
3 weekly pay periods (“Weekly PAGA Pay Periods”) during the PAGA Period and approximately
4 87 Aggrieved Employees who worked a total of approximately 1,768 bi-weekly pay periods
5 during the PAGA Period (“Bi-Weekly PAGA Pay Periods”).

6 4.3 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of
7 the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a
8 Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the Administrator must
9 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement
10 and for no other purpose, and restrict access to the Class Data to Administrator employees who
11 need access to the Class Data to effect and perform under this Agreement. Defendants have a
12 continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted
13 class member identifying information and to provide corrected or updated Class Data as soon as
14 reasonably feasible. Without any extension of the deadline by which Defendants must send the
15 Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts,
16 in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class
17 Data.

18 4.4 Funding of Gross Settlement Amount. Defendant Inland Staffing, Inc. shall fully fund
19 the Gross Settlement Amount and the amounts necessary to fully pay Defendants’ share of payroll
20 taxes by transmitting the funds to the Administrator no later than thirty (30) days after the
21 Effective Date.

22 4.5 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant
23 Inland Staffing, Inc. fully funds the GSA, the Administrator will mail checks for all Individual
24 Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration
25 Costs payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment,
26 and the Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class
27 Counsel Litigation Expenses Payment, and the Enhancement Award shall not precede
28 disbursement of Individual Class Payments and Individual PAGA Payments.

1 4.5.1 The Administrator will issue checks for the Individual Class Payments and/or
2 Individual PAGA Payments and send them to the Class Members via First Class United States
3 Postal Service (“USPS”) Mail. The face of each check shall prominently state the date (180 days
4 after the date of mailing) when the check will be voided (“Void Date”). The Administrator will
5 cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual
6 Settlement Payments to all Participating Class Members (including those for whom the Class
7 Notice was returned undelivered). The Administrator will send checks for Individual PAGA
8 Payments to all Aggrieved Employees including Non-Participating Class Members who qualify
9 as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The
10 Administrator may send Participating Class Members a single check combining the Individual
11 Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement
12 Administrator must update the recipients’ mailing addresses using the National Change of
13 Address database.

14 4.5.2 The Administrator must conduct a Class Member Address Search for all Class
15 Members whose checks are returned undelivered without USPS forwarding addresses. Within
16 seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS
17 forwarding address provided or to an address ascertained through the Class Member Address
18 Search. The Administrator need not take further steps to deliver checks to Class Members whose
19 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
20 replacement check to any Class Member whose original check was lost or misplaced, as requested
21 by the Class Member prior to the Void Date.

22 4.5.3 For any Class Member or Aggrieved Employee whose Individual Class Payment
23 check or Individual PAGA Payment check is uncashed and canceled after the Void Date, the
24 Administrator shall transmit the funds represented by such checks to the California Controller's
25 Unclaimed Property Fund in the name of the Class Member or Aggrieved Employee thereby
26 leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure
27 Section 384, subd. (b).
28

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

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

5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge Released Parties from any and all claims, transactions, or occurrences, that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and any further amended pleadings as necessary, (b) claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law, and (c) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, and any further amended pleadings as necessary, and the PAGA Notices ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release,

1 and that, if known by him or her, would have materially affected his or her
2 settlement with the debtor or Released Party.

3 5.2 Released Class Claims: Plaintiff and the Class Members (other than those who submit
4 timely and valid Requests for Exclusion) will release the Released Parties from any and all claims
5 arising during the Class Period which were asserted in the Operative Complaint filed in the
6 Action, and any further amended pleadings as necessary, or which could have been asserted based
7 on the factual allegations stated in the Operative Complaint filed in the Action, and any further
8 amended pleadings as necessary, including, but not limited to, claims for (1) failure to pay
9 minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal
10 periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at
11 termination; (6) failure to provide accurate itemized wage statements; (7) failure to provide
12 reporting time pay; (8) failure to indemnify employees for expenditures; and (9) violation of
13 Business & Professions Code § 17200 based on the allegations in the Operative Complaint,
14 through the Class Period. This also includes, but is not limited to, any and all claims alleged or
15 that could have been alleged based on the facts of Plaintiff's Operative Complaint or any further
16 amended complaint for unpaid wages, economic damages, noneconomic damages, any other
17 damages, civil or statutory penalties, waiting time penalties, liquidated damages, and all other
18 associated damages and/or penalties, including, but not limited to, any and all claims under
19 California Code of Civil Procedure §§ 382, 1021.5, Labor Code §§ 201, 202, 203, 204 *et seq.*,
20 218.5, 218.6, 226, 226.7, 246, 510, 512, 1174, 1194, 1194.2, 1197, 1198, and 2802, or California
21 Code of Regulations, Title 8, Section 11040, Subdivision 5(A), California Business & Professions
22 Code §§ 17200 *et seq.*, or the applicable IWC Wage Orders, and any and all claims or potential
23 claims for lost wages and/or benefits, consequential economic damages, other economic damages,
24 punitive damages, any other damages, attorneys' fees and costs and interest, through the Class
25 Period (the "Class Release"). For the avoidance of doubt, this Class release applies only to
26 Plaintiff and Class Members (other than those who submit timely and valid Requests for
27 Exclusion) for any and all claims arising during the Class Period which were asserted in the
28

Operative Complaint, and any further amended pleadings as necessary, or which could have been asserted based on the factual allegations stated in the Operative Complaint.

5.3 Released PAGA Claims: The Plaintiff and the Aggrieved Employees, the State of California, and the LWDA will release the Released Parties from any and all claims under PAGA arising during the PAGA Period (a) which were asserted against Defendants in Plaintiff's PAGA Notices, as amended, and any further LWDA notice letter(s) as necessary (collectively "LWDA Notice Letters"), and/or the Operative Complaint filed in the Action, and any further pleadings as necessary, or (b) which could have been asserted based on the factual allegations stated in Plaintiff's LWDA Notice Letters and/or the Operative Complaint filed in the Action, and any further amended pleadings as necessary. This also includes, but is not limited to, any and all PAGA claims alleged or that could have been alleged based on the facts of Plaintiff's LWDA Notice Letters or any complaint, including, but not limited to, claims for civil penalties under California Code of Civil Procedure §§ 382, 1021.5, Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 213, 216, 218.5, 218.6, 223, 225.5, 226, 226.3, 226.6, 226.7, 245-249, 432.5, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2810.5, and 2698, *et seq.*, or California Code of Regulations, Title 8, § 11040, Subdivision 5(A), California Business & Professions Code §§ 17200 *et seq.*, or the applicable IWC Wage Orders, and any and all claims or potential claims for lost wages and/or benefits, consequential economic damages, other economic damages, punitive damages, any other damages, attorneys' fees and costs and interest, through the PAGA Period (collectively, the "Released PAGA Claims"). There shall be no right to opt-out of the Settlement for the Aggrieved Employees and the judgment on this Settlement will have *res judicata* effect as to the Released PAGA Claims for all Aggrieved Employees.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the Settlement as it relates to the Released PAGA Claims under

1 Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary
2 Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed
3 declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts
4 relevant to any actual or potential conflicts of interest with Class Members, Aggrieved Employees
5 and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its
6 competency to represent the Class Members; its timely transmission to the LWDA of this
7 Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or
8 potential conflict of interest with Class Members, and/or the Administrator. In their Declarations,
9 Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action
10 asserting claims that will be extinguished or adversely affected by the Settlement.

11 6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
12 for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a
13 prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary
14 Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the
15 Court, and deliver the Court's Preliminary Approval Order to the Administrator.

16 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
17 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
18 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person
19 or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
20 Preliminary Approval or conditions Preliminary Approval on any material change to this
21 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of
22 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
23 otherwise satisfy the Court's concerns.

24 7. SETTLEMENT ADMINISTRATION.

25 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action
26 Administration Solutions to serve as the Administrator and verified that, as a condition of
27 appointment, the Administrator agrees to be bound by this Agreement and to perform, as a
28 fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs.

1 The Parties and their Counsel represent that they have no interest or relationship, financial or
2 otherwise, with the Administrator other than a professional relationship arising out of prior
3 experiences administering settlements.

4 7.2 Employer Identification Number. The Administrator shall have and use its own
5 Employer Identification Number for purposes of calculating payroll tax withholdings and
6 providing reports to state and federal tax authorities.

7 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
8 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
9 section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into
10 the QSF prior to distribution by the Administrator will become part of the NSA for distribution
11 to Participating Class Members.

12 7.4 Notice to Class Members.

13 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator
14 shall notify Class Counsel that the list has been received and state the number of Class Members,
15 Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

16 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen
17 (14) days after receiving the Class Data, the Administrator will send to all Class Members
18 identified in the Class Data, via First Class USPS Mail, the Class Notice, with Spanish translation,
19 substantially in the form attached to this Agreement as Exhibit A. The first page of the Class
20 Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or
21 Individual PAGA Payment payable to the Class Member, and the number of Workweeks and
22 PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the
23 Administrator shall update Class Member addresses using the National Change of Address
24 database.

25 7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class
26 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
27 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
28 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class

1 Notice to the most current address obtained. The Administrator has no obligation to make further
2 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
3 USPS a second time.

4 7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks
5 and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days
6 beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose
7 Class Notice is re-mailed. The Administrator will inform the Class Member of the extended
8 deadline with the re-mailed Class Notice.

9 7.4.5 If the Administrator, Defendants, or Class Counsel is contacted by or otherwise
10 discovers any persons who believe they should have been included in the Class Data and should
11 have received Class Notice, the Parties will expeditiously meet and confer in person or by
12 telephone, and in good faith in an effort to agree on whether to include them as Class Members.
13 If the Parties agree, such persons will be Class Members entitled to the same rights as other Class
14 Members, and the Administrator will send, via email or overnight delivery, a Class Notice
15 requiring them to exercise options under this Agreement not later than fourteen (14) days after
16 receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

17 7.5 Requests for Exclusion (Opt-Outs).

18 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Settlement must
19 send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later
20 than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen
21 (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter
22 from a Class Member or his/her representative that reasonably communicates the Class Member's
23 election to be excluded from the Settlement and includes the Class Member's name, address and
24 email address or telephone number. To be valid, a Request for Exclusion must be timely faxed,
25 emailed, or postmarked by the Response Deadline.

26 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
27 to contain all the information specified in the Class Notice. The Administrator shall accept any
28 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the

1 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
2 determination shall be final and not appealable or otherwise susceptible to challenge. If the
3 Administrator has reason to question the authenticity of a Request for Exclusion, the
4 Administrator may demand additional proof of the Class Member's identity. The Administrator's
5 determination of authenticity shall be final and not appealable or otherwise susceptible to
6 challenge.

7 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
8 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
9 bound by all terms and conditions of the Settlement, including the Participating Class Members'
10 releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating
11 Class Member actually receives the Class Notice or objects to the Settlement.

12 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
13 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
14 right to object to the class action components of the Settlement. Because future PAGA claims are
15 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
16 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
17 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

18 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days
19 after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class
20 Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and
21 PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may
22 challenge the allocation by communicating with the Administrator via fax, email or mail. The
23 Administrator must encourage the challenging Class Member to submit supporting
24 documentation. In the absence of any contrary documentation, the Administrator is entitled to
25 presume that the Workweeks contained in the Class Notice are correct so long as they are
26 consistent with the Class Data. The Administrator's determination of each Class Member's
27 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
28 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the

calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

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

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

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

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

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the

1 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
2 and other identifying information of Class Members who have timely submitted valid Requests
3 for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class
4 Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for
5 Exclusion from Settlement submitted (whether valid or invalid).

6 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
7 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
8 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
9 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
10 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
11 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
12 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
13 objections received.

14 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
15 address and make final decisions consistent with the terms of this Agreement on all Class Member
16 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
17 shall be final and not appealable or otherwise susceptible to challenge.

18 7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by
19 which Plaintiff is required to file the Motion for Final Approval of the Settlement, the
20 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
21 for filing in Court attesting to its due diligence and compliance with all of its obligations under
22 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
23 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
24 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
25 number of written objections, and attach the Exclusion List. The Administrator will supplement
26 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
27 for filing the Administrator’s declaration(s) in Court.
28

1 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
2 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
3 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
4 identification number only of all payments made under this Agreement. At least fifteen (15) days
5 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel
6 and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement
7 of all payments required under this Agreement. Class Counsel is responsible for filing the
8 Administrator's declaration in Court.

9 8. **ESCALATOR CLAUSE**. The GSA was calculated based on Defendants' above estimated
10 number of Class Members, Workweeks, Aggrieved Employees, and PAGA Pay Periods. If,
11 during the course of this Settlement process, the total number of Workweeks (as defined above)
12 increases by more than 5% (i.e., more than 33,346 Workweeks), then the GSA will be increased
13 by an amount proportional to the increase in Workweeks worked in excess of 5%, and if the
14 Weekly PAGA Pay Periods increases by more than 5% (i.e., more than 9,891 Weekly PAGA Pay
15 Periods), and/or the Bi-Weekly PAGA Pay Periods increases by more than 5% (i.e., more than
16 1,856 Weekly PAGA Pay Periods) then the PAGA Penalties will be increased by an amount
17 proportional to the increase in Weekly and/or Bi-Weekly PAGA Pay Periods worked in excess of
18 5%, whether or not the GSA is increased. For example, if the final number of total Workweeks is
19 6% more than the estimated number of Workweeks stated above, then the GSA will increase by
20 1%. Similarly, if the final number of total Weekly PAGA Pay Periods is 6% more than the
21 estimated number of Weekly PAGA Pay Periods stated above, then the Penalties assessed for
22 Weekly PAGA Pay Periods will increase 1%, whether the GSA increases or not. If the final
23 number of total Bi-Weekly PAGA Pay Periods is 6% more than the estimated number of Bi-
24 Weekly PAGA Pay Periods stated above, then the Penalties assessed for Bi-Weekly PAGA Pay
25 Periods will increase 1%, whether the GSA increases or not.

26 9. **DEFENDANTS' RIGHT TO WITHDRAW**. If the valid Requests for Exclusion identified
27 in the Exclusion List represent more than an aggregate total of 10% of Class Members (i.e. more
28 than 183 opt-outs), Defendants may, but are not obligated, to elect to withdraw from the

Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant Inland Staffing Inc. will remain responsible for paying all Settlement Administration Costs incurred to that point. The Parties agree not to encourage Class Members to file Requests for Exclusion or to opt-out of the Settlement. Defendants must notify Class Counsel and the Court of its election to withdraw not later than five (5) business days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

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

10.1 **Response to Objections**. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

1 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
2 Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes
3 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
4 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

5 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
6 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
7 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
8 counsel, and all Participating Class Members who did not object to the Settlement as provided in
9 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
10 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
11 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
12 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
13 obligations to perform under this Agreement will be suspended until such time as the appeal is
14 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
15 of the Net Settlement Amount.

16 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
17 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
18 modification of this Agreement (including, but not limited to, the scope of releases to be granted
19 by Class Members or Aggrieved Employees), this Agreement shall be null and void. The Parties
20 shall nevertheless expeditiously work together in good faith to address the appellate court's
21 concerns and to obtain Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any
22 additional Administration Costs reasonably incurred after remittitur. An appellate decision to
23 vacate, reverse, or modify the Court's award of the Enhancement Award or any payments to Class
24 Counsel shall not constitute a material modification of the Judgment within the meaning of this
25 paragraph, as long as the Gross Settlement Amount remains unchanged.

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

1 **12. ADDITIONAL PROVISIONS.**

2 12.1 No Admission of Liability, Class Certification or Representative Manageability for
3 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
4 claims. Nothing in this Agreement is intended or should be construed as an admission by
5 Defendants that any of the allegations in the Operative Complaint or PAGA Notices has merit or
6 that Defendants have any liability for any claims asserted; nor should it be intended or construed
7 as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree
8 that class certification and representative treatment is for purposes of this Settlement only. If, for
9 any reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment,
10 Defendants reserve the right to contest certification of any class for any reason, Defendants
11 reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move
12 for class certification on any grounds available and to contest Defendants' defenses. The
13 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on,
14 and will not be admissible in connection with, any litigation (except for proceedings to enforce
15 or effectuate the Settlement and this Agreement).

16 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants, and
17 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
18 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
19 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
20 or indirectly, specifically or generally, to any person, corporation, association, government
21 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
22 will be instructed to keep this Agreement confidential; (2) to counsel in a related matter; (3) to
23 the extent necessary to report income to appropriate taxing authorities; (4) in response to a court
24 order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal
25 government agency. Each Party agrees to immediately notify the other Party of any inquiry, order,
26 or subpoena seeking such information. Plaintiff, Class Counsel, Defendants, and Defense Counsel
27 separately agree not to, directly or indirectly, initiate any conversation or other communication,
28 before the filing of the Motion for Preliminary Approval, with any third party regarding this

1 Agreement or the matters giving rise to this Agreement except to respond only that “the matter
2 was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
3 communications with Class Members in accordance with Class Counsel’s ethical obligations
4 owed to Class Members.

5 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and
6 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
7 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability
8 to communicate with Class Members in accordance with Class Counsel’s ethical obligations and
9 Class Counsel’s fiduciary duties owed to Class Members.

10 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
11 together with its attached exhibits shall constitute the entire agreement between the Parties
12 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
13 inducements made to or by any Party.

14 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
15 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate
16 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
17 its terms, and to execute any other documents reasonably required to effectuate the terms of this
18 Agreement including any amendments to this Agreement.

19 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
20 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
21 Settlement Agreement, submitting supplemental evidence and supplementing points and
22 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
23 or content of any document necessary to implement the Settlement, or on any modification of the
24 Agreement that may become necessary to implement the Settlement, the Parties will seek the
25 assistance of a mediator and/or the Court for resolution.

26 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not
27 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
28

encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

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

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

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

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

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

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

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

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

12.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the

third business day after mailing by USPS mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

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

To Defendant Inland Staffing, Inc.:

Sarah Kroll-Rosenbaum (SBN 272358)
Skroll-rosenbaum@grove.law
Anthony D. Sbardellati (SBN 246431)
asbardellati@grove.law
Nancy Sotomayor (SBN 312022)
nsotomayor@grove.law
Jade T. White (SBN 335651)
jwhite@grove.law
GROVE LAW LLP
10000 Washington Blvd.
Culver City, California 90232
Telephone: (310) 853-6020

To Defendant 3 Way Thrift Store, Inc.:

JoLynn M. Scharrer (SBN 136821)
scharrer@huntortmann.com
HUNT ORTMANN PALFFY
NIEVES DARLING & MAH, INC.
301 North Lake Avenue, 7th Floor
Pasadena, CA 91101
Telephone: (626) 440-5200
Facsimile: (626) 796-0107

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

1 counterparts. Any executed counterpart will be admissible in evidence to prove the existence and
2 contents of this Agreement.

3 12.18 Stay of Litigation. The Parties agree that, upon the execution of this Agreement, the
4 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
5 agree that, upon the signing of this Agreement, pursuant to CCP § 583.330 to extend the date to
6 bring a case to trial under CCP § 583.310 for the entire period of this settlement process.

7 12.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable
8 and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be
9 admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid.
10 Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise
11 might apply under federal or state law. The Parties further agree and intend that the San
12 Bernardino County Superior Court may enforce this Agreement pursuant to Code of Civil
13 Procedure § 664.6.

14 IT IS SO AGREED.

15
16 By the Parties:

17
18 DATED: _____

19 Plaintiff Jasper Martinez

20
21 DATED: _____

22 Defendant Inland Staffing, Inc.

23
24 DATED: 4/29/26

[Signature]
25 Defendant 3 Way Thrift Store, Inc.
26
27
28

counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

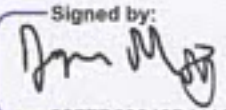
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IT IS SO AGREED.

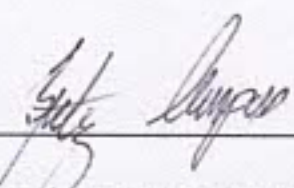
By the Parties:

DATED: 1/27/2026

Signed by:

 697FD68248B44AE...

Plaintiff Jasper Martinez

DATED: 1/30/2026


 Defendant Inland Staffing, Inc.

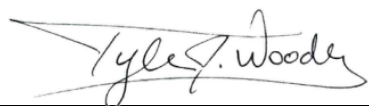
DATED: _____

Defendant 3 Way Thrift Store, Inc.

1 Approved by counsel:

2
3 DATED: 1/28/26

WILSHIRE LAW FIRM

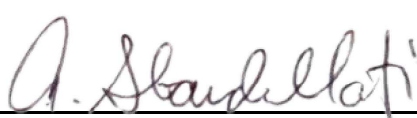
4
5 BY: 

6 Tyler J. Woods

Counsel for Plaintiff Jasper Martinez

7
8 DATED: 1/30/2026

GROVE LAW LLP

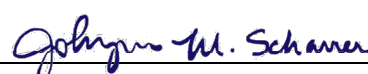
9
10 BY: 

11 Anthony D. Sbardellati

Counsel for Inland Staffing, Inc.

12
13 DATED: 01/30/2026

HUNT ORTMANN PALFFY NIEVES DARLING &
MAH, INC.

14
15
16 BY: 

17 JoLynn M. Scharrer

Counsel for 3 Way Thrift Store, Inc.

Exhibit A

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

Jasper Martinez v. Inland Staffing, Inc., et al.
San Bernardino County Superior Court, Case No. CIVSB2428153

***The San Bernardino 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 lawsuit (“Action”) against Inland Staffing, Inc. and 3 Way Thrift Store, Inc. (“Defendants”) for alleged wage and hour violations. The Action was filed by former employee, Jasper Martinez (“Plaintiff”), and seeks (1) payment of wages and other relief for a class of non-exempt or hourly-paid employees of Defendant Inland Staffing, Inc who performed work for Defendants, or any of them, during the Class Period (September 16, 2020 through September 6, 2025) (“Class Members”); and (2) civil penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt or hourly-paid employees of Defendant Inland Staffing, Inc who performed work for Defendants, or any of them, during the PAGA Period (June 20, 2023, through September 6, 2025) (“Aggrieved Employees”).

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

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. 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 Defendants’ 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 Defendants’ records showing that **you worked [REDACTED] Workweeks during the Class Period and you worked [REDACTED] Pay Periods during the PAGA Period**. The number of Workweeks attributed to you will be calculated by the Settlement Administrator using Defendant’s records. 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 do 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 Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendants 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 Defendants. 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 Defendants 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 Defendants for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendants' records indicate that you worked for Defendants Inland Staffing, Inc. and/or 3 Way Thrift Store, Inc. in California at some point(s) between September 16, 2020 through September 6, 2025, 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 Inland Staffing, Inc. during the "PAGA Period," which is June 20, 2023, through September 6, 2025.

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 Settlement Administrator (the Settlement Administrator's contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the Action, 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 Bernardino County Superior Court. The case is titled *Jasper Martinez v. Inland Staffing, Inc., et al. San Bernardino County Superior Court, Case No. CIVSB2428153*.

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

The person who sued, Jasper Martinez, is the plaintiff, and the companies sued, Inland Staffing, Inc. and 3 Way Thrift Store, Inc., are the defendants.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiff in the lawsuit alleges wage and hour violations against Defendants 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 rest period premiums; (5) failure to timely pay final wages at termination; (6) failure to furnish accurate itemized wage statements; (7) failure to provide reporting time pay; (8) failure to indemnify employees for all necessary business expenditures; (9) violation of California's Unfair Competition Law, California Business and Professions Code section 17200, et seq.; and (10) civil penalties pursuant to PAGA based on the alleged violations of the California Labor Code listed above (the "Claims"). Defendants deny Plaintiff's Claims and deny any wrongdoing.

3. WHO ARE THE ATTORNEYS FOR THE CLASS?

Counsel for the Class and Aggrieved Employees
("Class Counsel")

WILSHIRE LAW FIRM

Tyler J. Woods, Esq. (SBN 232464)

tyler.woods@wilshirelawfirm.com

James Yoo, Esq. (SBN 310680)

james.yoo@wilshirelawfirm.com

Heriberto Ponce, Esq. (SBN 339713)

eddie.ponce@wilshirelawfirm.com

Ruby Carrera, Esq. (SBN 343745)

ruby.carrera@wilshirelawfirm.com

Alan Wilcox (SBN 287476)

alan.wilcox@wilshirelawfirm.com

Conor J.D. Gomez (SBN 337395)

conor.gomez@wilshirelawfirm.com

Lucy Nguyen (SBN 338783)

lucy.nguyen@wilshirelawfirm.com

660 S. Figueroa Street, Sky Lobby

Los Angeles, California 90017

Telephone: (213) 381-9988

Facsimile: (213) 381-9989

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.

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

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the Plaintiff or Defendants on the merits of the claims alleged in the lawsuit. Plaintiff believes Plaintiff would win at trial. Defendants think 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 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 performed work for Defendants, or any of them, as an hourly-paid or non-exempt employee of Defendant Inland Staffing, Inc. during the Class Period, including current and former employees.

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?

Defendants have agreed to collectively pay a Gross Settlement Amount ("Gross Settlement Amount" or "GSA") of up to \$225,000.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys' fees of up to one-third (1/3) of the GSA, currently estimated to total \$75,000.00 and reimbursement for reasonable costs not to exceed \$25,000.00; a Class Representative Service Payment of up to \$10,000.00 to the Plaintiff (for Plaintiff's work and efforts prosecuting this case and Plaintiff's broader general release); a PAGA Penalties payment of \$11,250.00 to resolve the PAGA claims ("PAGA Penalties"); and Settlement Administration Costs in an amount not to exceed \$20,000.00. 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 is the "Net Settlement Amount" or the "NSA." 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 \$11,250.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 65% of the PAGA Penalties payment, or \$7,312.50, will be paid to the California Labor and Workforce Development Agency. The remaining 35% of the PAGA Penalties payment, or

\$3,937.50, 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 Defendants' records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (September 16, 2020 through September 6, 2025). Eighty percent (80%) 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 twenty percent (20%) of each Class Member's Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% 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 performed work for Defendants, or any of them, as a non-exempt employee of Defendant Inland Staffing, Inc., in California during the PAGA Period for remuneration, 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 an IRS 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.

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 [REDACTED], 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.

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

Following the Effective Date and the Court's approval of the Settlement becoming final, including resolution of any appeals, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees after the Settlement is fully funded, which will not occur until approximately 30 days after the date the Court enters Judgment on its Order Granting Final Approval of the Settlement and the Judgment is final, in accordance with the terms of the Settlement Agreement.

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 Defendants concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the Released Class Claims described below against Defendants and Defendants' officers, directors, employees and agents. ("Released Parties"). The releases become effective once the GSA is fully funded by Defendants.

Released Class Claims: All Class Members who do not submit a timely and valid request for exclusion will waive and release the Released Parties from all claims arising during the Class Period which were asserted against Defendants in the operative complaint filed in the Action or which reasonably could have been asserted against Defendants based on the factual allegations stated in the operative complaint filed in the Action, including all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief.

Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, and the State of California are all claims under PAGA arising during the PAGA Period (a) which were asserted against Defendant in Plaintiff's PAGA Notice and/or the operative complaint filed in the Action or (b) which reasonably could have been asserted against Defendants based on the factual allegations stated in Plaintiff's PAGA Notice and/or the operative complaint filed in the Action. Unlike the class claims, Aggrieved Employees cannot opt out of releasing the PAGA claims.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE CLASS 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 60 days after this Class Notice is mailed. Be sure to include your name, address, email address, and telephone number, and any other information

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

you think would be helpful to the Settlement Administrator to identify you. You can send your request for exclusion to the Settlement Administrator at:

Phoenix Class Action Administration Solutions
Inland Staffing, Inc., et al. Settlement

XXXXXX

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 were employed by Defendant Inland Staffing, Inc. and worked for either Defendant in California during the PAGA Period. If you ask to be excluded, you may be able to sue (or continue to sue) Defendants in the future for the claims alleged in this Action, except the Released PAGA Claims.

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

Only if you are an Aggrieved Employee. Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement, so they will receive their portion of the PAGA Penalties even if they exclude themselves from the rest of the Settlement. However, if you timely exclude yourself from the Settlement, you will not receive any of the Net Settlement Amount and you will retain the right to pursue your own legal action against Defendant for violations other than the Released PAGA Claims described above, if you desire.

14. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to **\$75,000.00** (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 **\$25,000.00** 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 Jasper Martinez in the amount of up to **\$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.

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

If you are a Participating Class Member and 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 postmarked no later than 60 days after this Class Notice is mailed. Written objections and notices of intent to appear at the Final Approval Hearing must be

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

mailed, emailed, or faxed to the Settlement Administrator and postmarked on or before [REDACTED], at the following address:

Phoenix Class Action Administration Solutions
Inland Staffing, Inc. and 3 Way Thrift Store, Inc. Settlement

[REDACTED]

City, State, [REDACTED]

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.

16. 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.

17. 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 R-14 of the San Bernardino County Superior Court (Rancho Cucamonga Courthouse) located at 8303 Haven Avenue, Rancho Cucamonga, CA 91730, 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. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

18. 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

QUESTIONS? CALL 1-800-[REDACTED] TOLL FREE

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

19. 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 Defendants about the Released Class Claims and Released PAGA Claims.

GETTING MORE INFORMATION

20. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel or the Settlement Administrator for more information. Class Counsel may be contacted at the contact information listed above in Section 3. The Court-appointed Settlement Administrator, Phoenix Class Action Administration Solutions, may be contacted by calling toll free 1-800-XXXX, or you can write to the Administrator at the following address:

Phoenix Class Action Administration Solutions
Inland Staffing, Inc. and 3 Way Thirft Store, Inc. Settlement

XXXXX

City, State, XXXXX

Email:

Fax

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

Exhibit 2



CASE ASSUMPTIONS

Class Members	1,988
Opt Out Rate	1%
Opt Outs Received	20
Total Class Claimants	1,968
Subtotal Admin Only	\$16,750.00

Not-to-Exceed Total \$16,750.00

For 1988 Class Members

Pricing Good for Scope of Estimate Only

December 15, 2025

Case: Inland Staffing, Inc. (Martinez) Opt-Out Admin wTranslation

Phoenix Contact: Jodey Lawrence
 Contact Number: 949.566.1455
 Email: Jodey@phoenixclassaction.com

Requesting Party: Coley Hayes
 Firm: Wilshire Law Firm, PLC
 Direct Tel: (213) 381-9988 Ext. 815
 Email: coley.hayes@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
 Estimate is based on 1988 Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$147.38	1	\$147.38
Call Center & Long Distance	\$1.95	5	\$9.75
NCOA (USPS)	\$260.00	2	\$520.00
			54.00
		Total	\$1,177.13

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Translation / Reporting			
Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	3	\$375.00
Data Merge & Duplication Scrub	\$0.50	1,988	\$994.00
Notice Packet & Opt-Out Form	\$1.25	1,988	\$2,485.00
Estimated Postage (up to 2 oz.)*	\$0.74	1,988	\$1,471.12
Static Website	\$250.00	1	\$250.00
Language Translation	\$1,000.00	1	\$1,000.00
		Total	\$6,575.12

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	3	\$165.00
Skip Tracing Undeliverables	\$1.00	199	\$198.80
Remail Notice Packets	\$1.25	199	\$248.50
Estimated Postage	\$0.74	199	\$147.11
Programming Undeliverables	\$50.00	3	\$150.00
Total			\$909.41

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	1	\$135.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	3	\$165.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	3	\$30.00
Case Manager	\$85.00	2	\$170.00
Total			\$700.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$125.00	1	\$125.00
QSF Bank Account & EIN	\$75.00	2	\$150.00
Check Run Setup & Printing	\$125.00	2	\$250.00
Mail Class Checks *	\$1.00	1,968	\$1,968.12
Estimated Postage	\$0.74	1,968	\$1,456.41
Total			\$4,449.53

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	3	\$375.00
Remail Undeliverable Checks (Postage Included)	\$1.50	49	\$73.80
Case Associate	\$55.00	3	\$165.00
Reconcile Uncashed Checks	\$95.00	3	\$285.00
Conclusion Reports	\$110.00	2	\$220.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,400.00	1	\$1,400.00
Total			\$2,938.80

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$16,750.00



TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

Exhibit 3



ELM Solutions

2022 Real Rate Report[®]

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

Table of Contents - 2022 Real Rate Report

A Letter to Our Readers • 4

Report Use Considerations • 5

Section I: High-Level Data Cuts • 8

- Partners, Associates, and Paralegals
- Partners, Associates, and Paralegals by Practice Area and Matter Type
- Partners and Associates by City
- Partners and Associates by City and Matter Type
- Partners by City and Years of Experience
- Associates by City and Years of Experience
- Partners and Associates by Firm Size and Matter Type

Section II: Industry Analysis • 63

- Partners, Associates, and Paralegals by Industry Group
- Partners and Associates by Industry Group and Matter Type
- Basic Materials and Utilities
- Consumer Goods
- Consumer Services
- Financials (Excluding Insurance)
- Health Care
- Industrials
- Technology and Telecommunications

Section III: Practice Area Analysis • 84

- Bankruptcy and Collections
- Commercial
- Corporate: Mergers, Acquisitions, and Divestitures
- Corporate: Regulatory and Compliance
- Corporate: Other
- Employment and Labor
- Environmental
- Finance and Securities
- General Liability (Litigation Only)
- Insurance Defense (Litigation Only)
- Intellectual Property: Patents
- Intellectual Property: Trademarks
- Intellectual Property: Other
- Real Estate

Section IV: In-Depth Analysis for Select US Cities • 172

- Boston, MA
- Chicago, IL
- Los Angeles, CA
- New York, NY
- Philadelphia, PA
- San Francisco, CA
- Washington, DC

Section V: International Analysis • 191

Section VI: Matter Staffing Analysis • 221

Appendix: Data Methodology • 226

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).

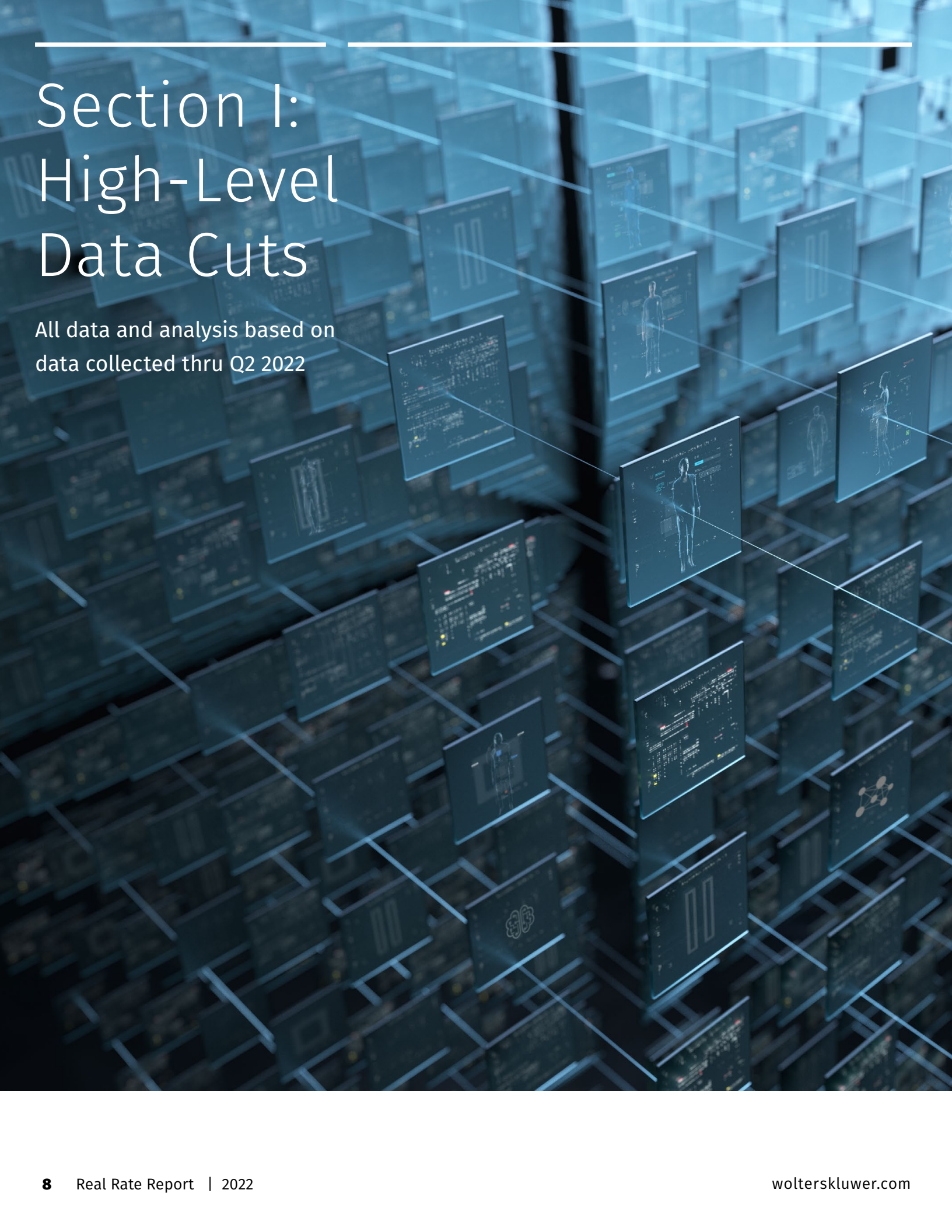
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural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



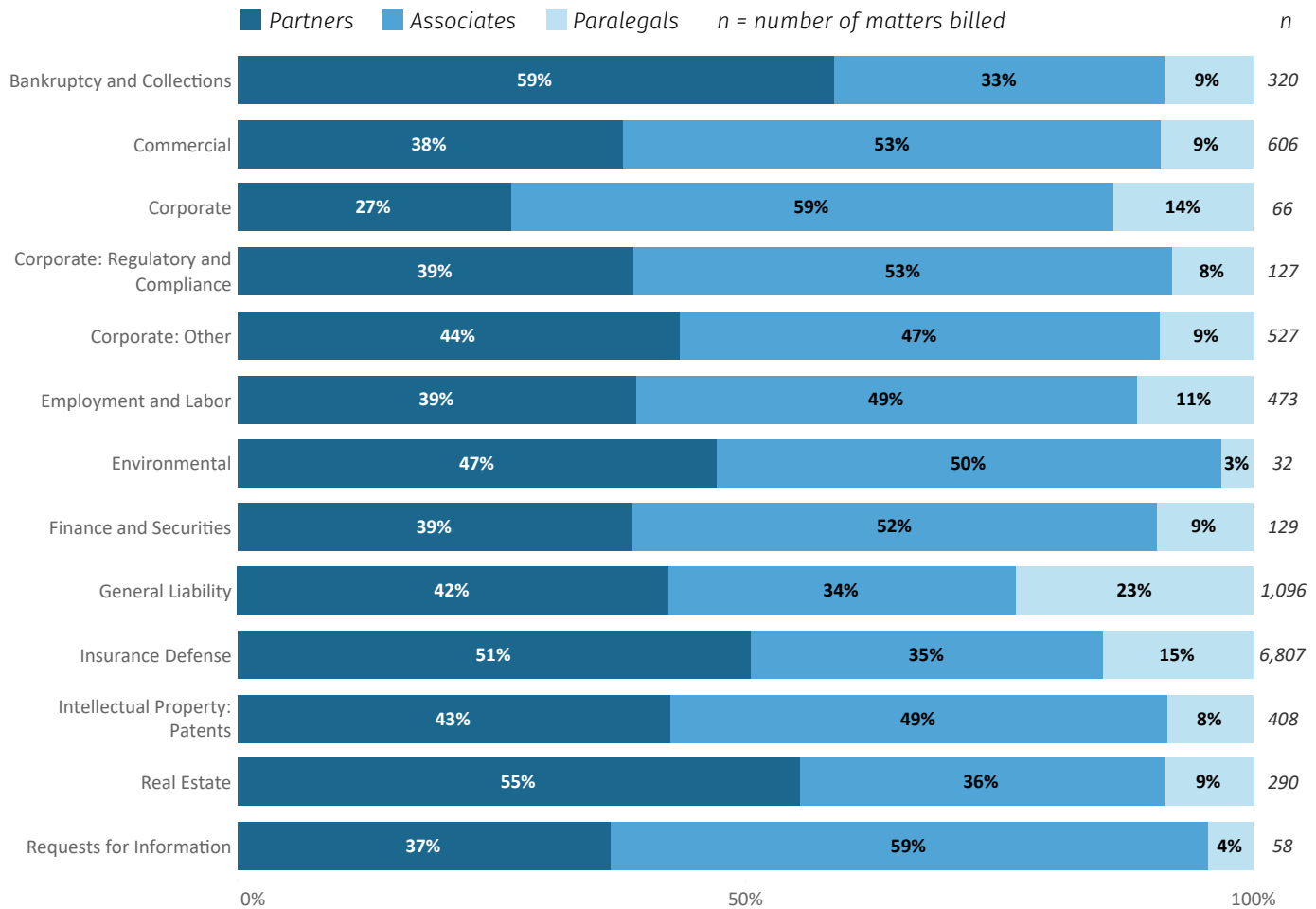
Section VI: Matter Staffing Analysis

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 4

Free Newsletter Sign Up

Business & Practice

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

By Roy Strom

Column

June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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



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

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Documents

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