Arrash T. Fattahi (SBN 333676)
arrash.fattahi@wilshirelawfirm.com
Emily Borman (SBN 303180)
emily.borman@wilshirelawfirm.com
Arman A. Salehi (SBN 351112)
arman.salehi@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SOLANO

ANDREW MARTINEZ and AARON FOWLER, individually, on behalf of all others similarly situated, and on behalf of the State of California and other aggrieved persons,

Plaintiffs,

v.

AUTOMATIC BAR CONTROLS, INC., a corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CU24-06154

CLASS ACTION

[*Assigned to:* Hon. Stephen Gizzi, Dept. 3, Room 301]

DECLARATION OF ARRASH T. FATTAHI IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

PRELIMINARY APPROVAL HEARING
Date: October 30, 2026
Time: 9:00 a.m.
Dept.: 3

Complaint filed: August 15, 2024
Trial date: Not set

DECLARATION OF ARRASH T. FATTAHI

I, Arrash T. Fattahi, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiffs Andrew Martinez and Aaron Fowler ("Plaintiffs"). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement.

CASE BACKGROUND

2. This is a wage and hour class and representative action pursuant to the Private Attorneys General Act ("PAGA") (Cal. Lab. Code §§ 2699, *et seq.*) Plaintiffs, putative class members, and aggrieved employees were current and former hourly non-exempt employees who worked for Defendant in California at any time during the class period. Defendant designs and manufactures beverage and food dispensing systems—such as bar guns (or handheld beverage dispensers), beverage towers, condiment dispensers, sauce applicators, and pizza preparation equipment—serving the foodservice industry.

3. Plaintiffs allege that Defendant's payroll, timekeeping, and wage and hour practices resulted in Labor Code violations. Plaintiffs also allege that Defendant failed to pay for all hours worked. Plaintiffs further allege that Defendant failed to provide employees with legally compliant meal and rest periods, and Defendant failed to reimburse business expenses. Based on these allegations, Plaintiffs assert related claims for failure to provide accurate wage statements, failure to pay all final wages at termination, unfair business practices, and civil penalties under PAGA.

4. On August 15, 2024, Plaintiff Andrew Martinez filed a putative wage and hour class action complaint against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for

expenditures, and (8) unfair business practices. On August 21, 2024, Plaintiff Martinez sent a notice to Defendant and the California Labor & Workforce Development Agency ("LWDA") alleging similar wage and hour violations pursuant to PAGA. A true and correct copy of Plaintiff Martinez's PAGA letter to Defendant and the LWDA is attached hereto as **Exhibit 1**. On August 1, 2025, Plaintiff Fowler also sent a notice to Defendant and the LWDA alleging similar wage and hour violations pursuant to PAGA. A true and correct copy of Plaintiff Fowler's PAGA letter to Defendant and the LWDA is attached hereto as **Exhibit 2**. On April 1, 2026, Plaintiffs filed a First Amended Complaint in this action adding a cause of action for civil penalties under PAGA and adding Plaintiff Aaron Fowler as a named plaintiff.

DISCOVERY AND INVESTIGATION

5. Following the filing of the initial complaint, the Parties exchanged documents and information before mediating this action. Defendant produced a 30% random sampling of timekeeping and pay records for the class members. Defendant also provided its handbook in effect during the class period and information regarding the total number of current and former employees in its informal discovery responses.

6. After reviewing documents regarding Defendant's employment policies and practices and analyzing Defendant's timekeeping and payroll records, Class Counsel was able to evaluate the probability of class certification and success on the merits and assess Defendant's maximum monetary exposure for all claims. Class Counsel also investigated the applicable law regarding the claims and defenses asserted in the litigation. Class Counsel reviewed these records and utilized an expert to prepare a damages analysis prior to mediation.

SETTLEMENT NEGOTIATIONS

7. On September 2, 2025, the Parties participated in a private mediation with experienced class action mediator Steve Serratore. 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 dispute, but each side was also prepared to litigate their position through trial and appeal if a settlement had not been reached.

8. After extensive negotiations and discussions regarding the strengths and

weaknesses of Plaintiffs' claims and Defendant's defenses, the Parties were able to reach a settlement and accepted the mediator's proposal on September 4, 2025, the material terms of which are encompassed within the Settlement. A true and correct copy of the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement") is attached hereto as **Exhibit 3**.

9. Class Counsel submitted the proposed settlement to the LWDA before filing this Motion for Preliminary Approval. A true and correct copy of the confirmation of submission of the Settlement Agreement to the LWDA is attached hereto as **Exhibit 4.**

10. My office requested several bids from experienced class action settlement administrators to handle the responsibilities of the Settlement Administrator under this Settlement. The Parties accepted the bid of APEX Class Action Administration ("APEX"). APEX has multiple years of experience in the field of class action administration, particularly in the wage and hour arena. APEX's bid accounts for Notice in English and Spanish. A true and correct copy of APEX's bid is attached hereto as **Exhibit 5**.

11. No one at Wilshire Law Firm, PLC (meaning the law firm itself and anyone employed at the law firm) has any interest, financial or otherwise, in the proposed third-party administrator, APEX. No one at Wilshire Law Firm, PLC has any actual or potential conflict of interest with any class member. I am not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

12. Wilshire Law Firm, PLC does not have any fee-splitting agreements with any other firms for this matter.

THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

13. Class Counsel has conducted a thorough investigation into the facts of this case. Based on the Parties' informal exchange of documents and information and Class Counsel's own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members in light of all known facts and circumstances, the risk of significant delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial risk, and appellate risk.

14. Based on an analysis of the facts and legal contentions in this case, documents and information from Defendant, I evaluated Defendant's maximum exposure. I took into account the risk of not having the claims certified and the risk of not prevailing at trial, even if the claims are certified. After using the data Defendant provided, including class member timekeeping and payroll records, as well as class member demographics (i.e., the number of class members, workweeks, and average total compensation of the class), with the assistance of a statistics expert, I created a damages model to evaluate the realistic range of potential recovery for the class. The damages model is based on the following benchmarks:

a. Total Class Members: 83

b. Terminated Class Members during 3-year statute of limitations period: 37

c. Total Workweeks: 8,500

d. PAGA Pay Periods: 2,279

e. Average Hourly Rate: $25.95

15. Based on Plaintiffs' discovery and investigation, Class Counsel reached the conclusion that Defendant: failed to pay class members for all hours worked, including minimum, straight time, and overtime wages, by requiring employees to work off-the-clock; had a policy and practice of not providing its employees with California compliant meal and rest periods for which it did not pay appropriate premiums; and failed to reimburse its employees for business-related expenses. Defendant denies these claims.

16. Minimum and Overtime Wages: Plaintiffs allege that Defendant failed to pay for all hours worked, including minimum, straight time, and overtime wages, by requiring class members to work off-the-clock, unpaid. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, I estimate that Defendant's maximum potential exposure by assuming that all unpaid work time should have been paid at the overtime rate, and I assumed that Defendant is liable for one (1) hour of unpaid worktime per workweek. This results in an estimate of approximately $330,862.50 (8,500 workweeks x $25.95 hourly rate x 1.5 overtime rate x 1 hour of unpaid work per workweek), but I applied a risk discount based on a 40% chance of succeeding at class certification and a 45% chance of succeeding at trial on the merits because

liability depends on whether Defendant knew or should have known that class members were working off-the-clock, yielding a realistic damage estimate of approximately $59,555.25 ($330,862.50 x 40% x 45%).

17. Meal Periods: With respect to the meal period claim, Plaintiffs allege that Defendant required them and similarly situated class members to either work in lieu of taking meal periods, or their meal periods were untimely or interrupted. Plaintiffs further allege that Defendant's own records reflect facially non-compliant meal periods. Assuming a 20.10% violation rate for the class period based on Plaintiffs' and other class members' experience working for Defendant as well as the records Defendant provided, Defendant's potential liability for the meal period claim is approximately $213,947.84 (41,018 shifts x $25.95 hourly rate x 20.10% violation rate). After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit and a 20.10% violation rate is unrealistic, I discounted this figure based on a 40% chance of succeeding at class certification and a 45% chance of succeeding at trial, yielding a realistic damage estimate of approximately $38,510.61 ($213,947.84 x 40% x 45%).

18. Rest Periods: With respect to the rest period claim, Plaintiffs allege that Defendant required them and similarly situated class members to work in lieu of taking rest periods, remain on-call during their rest periods or their rest periods were interrupted. Assuming a 40% violation rate for the class period based on Plaintiffs' and other class members' experience working for Defendant, Defendant's potential liability for the rest period claim is approximately $432,389.28 (41,656 shifts x $25.95 hourly rate x 40% violation rate); however, I discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim would have relied exclusively on Class Member testimony, I discounted this claim based on a 45% chance of succeeding at class certification and a 45% chance of succeeding at trial, yielding a realistic damage estimate of approximately $87,558.83 ($432,389.28 x 45% x 45%).

19. Reimbursements: Plaintiffs further allege that Defendant failed to reimburse

necessary business expenses. More specifically, Plaintiffs allege that Defendant required them and similarly situated class members to personal cell phones to communicate with colleagues and supervisors regarding work duties, as well as use their cell phones to clock in and out for their shifts. Additionally, Plaintiffs allege that Plaintiffs and other employees were expected to supply their own work tools to carry out their job duties, but Defendant did not adequately reimburse employees for these expenses. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, I estimated that Defendant was liable to each class member for $50 per month, or $12.50 per workweek, in unreimbursed expenses, for a total amount of approximately $106,250.00 ($12.50 x 8,500 workweeks); however, I discounted this figure based on an evaluation of a 30% chance of succeeding at class certification and a 35% chance of succeeding at trial to account for the difficulty of certifying and proving expense reimbursement claims, yielding a realistic damage estimate of approximately $11,156.25 ($106,250.00 x 30% x 35%).

20. In sum, I estimated that Plaintiffs' maximum recovery for the off-the-clock claim, meal period violations, rest period violations, and reimbursements is approximately $1,083,449.62, but, after factoring in the risk and uncertainty of prevailing at certification and trial, I estimate that Plaintiffs' realistic estimated recovery for these non-penalty claims is approximately $196,780.94.

21. Penalties: With respect to Plaintiffs' derivative claims for statutory penalties as well as civil penalties, Plaintiffs estimated that Defendant's realistic potential liability is approximately $90,618.86. Defendant's maximum potential liability for waiting time penalties is approximately $230,436.00 (37 employees x $25.95 hourly rate x 8.00 average hours/day x 30 days) based on approximately 37 terminated class members during the 3-year statute of limitations period. Defendant's maximum potential liability for inaccurate wage statements is approximately $204,000.00 (51 employees x $4,000 statutory maximum) for inaccurate wage statements based on approximately 51 class members who worked during the 1-year statute of limitations period. Defendant's maximum potential liability for PAGA violations is approximately $227,900.00 based on the Court assessing a $100 penalty for initial violations for all 2,279 pay periods within the PAGA period. In light of the foregoing, I believe that it would be unrealistic to expect the Court

to award the full $1,083,449.62 in penalties given Defendant's defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately $196,780.94, such a disproportionate award would also raise due process concerns. As such, I discounted these figures to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $31,108.86 for waiting time penalty claims ($230,436.00 x 45% x 30%), approximately $36,720.00 for wage statement penalty claims ($204,000.00 x 40% x 45%), and approximately $22,790.00 for PAGA penalties ($227,900.00 x 10%), or approximately $90,618.86 total for statutory and civil penalties.

22. Using these estimated figures, Plaintiffs predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $287,399.80. This means that the $285,000.00 gross settlement figure represents approximately **99.16%** of the **realistic maximum recovery** ($285,000.00 / $287,399.80). Further, the $10,000.00 allocation for PAGA penalties represents approximately 43.9% of the realistic maximum recovery for PAGA penalties ($10,000.00 / $22,790.00). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because of the proposed Settlement, class members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

23. While Plaintiffs are confident in the merits of their claims, a legitimate controversy exists as to each cause of action. Plaintiffs also recognize that proving the amount of wages due to each class member would be an expensive, time-consuming, and uncertain proposition.

24. This Settlement avoids the risks and the accompanying expense of further litigation. Although the Parties had engaged in a significant amount of investigation, including limited formal discovery, engaging in a *Belaire-West* opt-out notice procedure, informal discovery and class-wide data analysis, the Parties had not yet fully completed formal written discovery and depositions. Moreover, preparation for 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, Defendant could move to decertify

the claims. As a result, the Parties would incur considerably more attorneys' fees and costs through trial.

25. The Net Settlement Amount available for settlement payments is estimated to be approximately $125,760.00 for a class of approximately 83 persons.[1] As a result, each Settlement Class Member is eligible to receive an average net benefit of approximately $1,515.18.

26. The proposed Settlement of $285,000.00, therefore, represents a substantial recovery when compared to Plaintiffs' reasonably forecasted recovery. 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 amount of $285,000.00 is well within the "ballpark" of reasonableness, and preliminary settlement approval is appropriate.

SERVICE PAYMENTS FOR PLAINTIFFS ARE REASONABLE

27. Class Counsel represents that Plaintiffs devoted a great deal of time and work assisting counsel in the case, communicated with counsel very frequently for litigation and to prepare for mediation, and was frequently in contact with Class Counsel during the mediation. Plaintiffs' requested service payment is reasonable, particularly in light of the substantial benefits Plaintiffs generated for all class members.

28. Throughout this litigation, Plaintiffs, who are former employees of Defendant, have cooperated immensely with my office and have taken many actions to protect the interests of the class. Plaintiffs provided valuable information regarding the off-the-clock, meal period, rest period, and indemnity claims. Plaintiffs also informed my office of developments and information relevant to this action, participated in decisions concerning this action, and made themselves available to answer questions during mediation. Plaintiffs provided my office with information regarding the claims alleged in this action. The information provided by Plaintiffs were instrumental in establishing the wage and hour violations alleged in this action, and the recovery

[1] The estimated Net Settlement Amount is: $285,000.00 minus $99,750.00 for Class Counsel's attorneys' fees, minus $25,000.00 for Class Counsel's litigation expenses, minus $4,490.00 for administration costs, minus $10,000.00 for the PAGA payments, and minus $20,000.00 for the total sum of the class representative service payments.

provided for in the Settlement Agreement would have been impossible to obtain without Plaintiffs' participation.

29. At the same time, Plaintiffs faced many risks in adding themselves as the class representatives in this matter. Plaintiffs faced actual risks with their future employment, as putting themselves on public record in an employment lawsuit could also very well affect their likelihood for future employment.

30. In turn, class members will now have the opportunity to participate in a settlement, reimbursing them for alleged wage violations they may have never known about on their own or been willing to pursue on their own. If these class members would have each tried to pursue their legal remedies on their own, that would have resulted in each having to expend a significant amount of their own monetary resources and time, which were obviated by Plaintiffs putting themselves on the line on behalf of these other class members.

31. In the final analysis, this class action would not have been possible without the aid of Plaintiffs who put their own time and effort into this litigation and placed themselves at risk for the sake of the class members. The requested service payments are therefore reasonable to compensate the Proposed Class Representatives for their active participation in this lawsuit.

THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

32. The Settlement provides for attorneys' fees payable to Class Counsel in an amount up to 35% of the Settlement Amount, for a maximum fees award of $99,750.00, plus costs estimated at $25,000.00. The proposed award of attorneys' fees to Class Counsel in this case can be justified under either method – lodestar or percentage recovery. Class Counsel intends to provide justification of their requested attorneys' fees and costs at final approval.

33. I am informed and believe that the fee and costs provision is reasonable. The fee percentage requested is less than that charged by my office for most employment cases. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome.

34. It is further estimated that my office will need to expend at least another 20 to 35 hours to monitor the process leading up to the final approval and payments made to the class,

prepare the Final Approval motion, and attend the Final Approval and Compliance hearings. My office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

35. The risk to my office has been very significant, particularly if we would not be successful in pursuing this class action. In that case, we would have been left with no compensation for all the time taken in litigating this case. The contingent risk in these types of cases is very real and they do occur regularly. Furthermore, we were precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

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

MY EXPERIENCE AND QUALIFICATIONS

37. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms for every year since 2020 and is comprised of over 120 attorneys and over 600 total employees. Wilshire Law Firm, PLC is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

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

39. I graduated from the University of California, Los Angeles with a Bachelor of Arts

in Political Science, *summa cum laude*. I received my Juris Doctor from The George Washington University Law School. During law school, I was a member of the student editorial board for the Federal Circuit Bar Journal.

40. My practice is focused on advocating for the rights of consumers and employees in class action litigation. I am currently the managing attorney in charge of litigating several class action cases in state and federal courts in California.

41. As the attorney responsible for day-to-day management of this matter at Wilshire Law Firm, PLC, I have over five (5) years of experience litigating wage and hour class actions. Over the past five (5) plus years, I have managed and assisted with the litigation and settlement of numerous wage and hour class actions. In those class actions, I performed similar tasks as those performed in the course of prosecuting this action.

42. I was selected as a "Southern California Rising Star" in 2025 and 2026.

43. My current contingent billing rate of $850 per hour is consistent with the legal market, accepted hourly rates, and my expertise and knowledge as it pertains to wage and hour matters. Below is a non-exhaustive list of the cases where I have been appointed as class counsel in my own right (as opposed to being part of a firmwide appointment of counsel):

a. *Kingsbury v. Caravan Foods II, Inc.*, Alameda County, Case No. RG21096357; Motion for Final Approval granted on January 31, 2023.

b. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No. MSC20-01916; Motion for Final Approval granted on March 3, 2023.

c. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987; Motion for Final Approval granted on May 3, 2023.

d. *Ortiz v. Tara Materials, Inc.*, San Diego County, Case No. 37-2021-0001473-CU-OE-CTL; Motion for Final Approval granted on May 30, 2023.

e. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-2021-00293739-CU-OE-GDS; Motion for Final Approval granted on May 30, 2023.

f. *Garduno v. New Generation Framing, Inc., et al.*, Stanislaus County, Case No. CV-21-000544; Motion for Final Approval granted on August 11, 2023.

g. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No. 21CECG03817; Motion for Final Approval granted on August 21, 2023.

h. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No. CIVSB2118622; Motion for Final Approval granted on September 13, 2023.

i. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261; Motion for Final Approval granted on October 17, 2023.

j. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion for Final Approval granted on November 2, 2023.

k. *Lupercio v. Western CNC, Inc.*, San Diego County, Case No. 37-2021-00010314-CU-OE-CTL; Motion for Final Approval granted on January 26, 2024.

l. *Jackson, et al. v. Apple Valley Communications, Inc.*, *et al.*, San Bernardino County, Case No. CIVSB2124721; Motion for Final Approval granted on February 1, 2024.

m. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520; Motion for Final Approval granted on February 22, 2024.

n. *Williams v. Total Longterm Care, Inc., et al.*, San Bernardino County, Case No. CIVSB2213347; Motion for Final Approval granted on April 2, 2024.

o. *Meza v. Argus Management Company, LLC*, *et al.*, Los Angeles County, Case No. 21STCV31612; Motion for Final Approval granted on May 20, 2024.

p. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951; Motion for Final Approval granted on July 11, 2024.

q. *Snell v. Shasta Community Health Center*, Shasta County, Case No. CVCV22-199416; Motion for Final Approval granted on November 12, 2024.

r. *Arce v. Sammy's Woodfired Pizza*, San Diego County, Case No. 37-2023-00037670-CU-OE-CTL; Motion for Final Approval granted on January 10, 2025.

s. *Ochoa, et al. v. La Tavola, LLC*, Napa County, Case No. 22CV000862; Motion for Final Approval granted on January 23, 2025.

t. *Brown, et al. v. Fidelity Security Services, Inc.*, Los Angeles County, Case No. 21STCV31617; Motion for Final Approval granted on January 28, 2025.

u. *Torres v. Lupton Excavation, Inc.*, Sacramento County, Case No. 34-2022-00317401-CU-OE-GDS; Motion for Final Approval granted on April 18, 2025.

v. *Peterson v. PJ Printers*, Orange County, Case No. 30-2022-01247546-CU-OE-CTL; Motion for Final Approval granted on April 25, 2025.

w. *Harris v. D&D Gear Incorporated dba Absolute Technologies, Inc.*, Orange County, Case No. 30-2021-01222330-CU-OE-CTL; Motion for Final Approval granted on April 25, 2025.

x. *Carter v. Medlab2020, Inc.*, Orange County, Case No. 30-2022-01247444-CU-OE-CXC; Motion for Final Approval granted on May 22, 2025.

y. *Guarista, et al. v. Urologic Institute of the High Desert, Inc.,* San Bernardino County, Case No. CIVSB2125029; Motion for Final Approval granted on June 17, 2025.

z. *Carbajal v. Mattco Forge, Inc.*, Los Angeles County, Case No. 23STCV12264; Motion for Final Approval granted on July 28, 2025.

44. Emily Borman is a Junior Partner at Wilshire Law Firm, PLC. She was admitted to practice law in the State of California in May 2015. Ms. Borman graduated from Cornell University with a Bachelor of Science in Development Sociology and a Minor in Applied Economics and Management. While at Cornell she was inducted into the Alpha Kappa Delta International Honor Society. Ms. Borman received her Juris Doctor from University of California Law San Francisco (formerly UC Hastings). Since graduating, her practice has been in employment law, including Plaintiff-side wage and hour cases. Ms. Borman has received numerous awards for her legal work. In 2021 and from 2023 to 2025, Super Lawyers selected her as a "Southern California Rising Star." Ms. Borman was selected as one of the "Best Lawyers in America" from 2021 to 2026.

45. Arman A. Salehi is an Associate Attorney at Wilshire Law Firm, PLC. He was admitted to practice law in the State of California in 2023. Mr. Salehi graduated from the University of California, Los Angeles, with a Bachelor of Arts in Sociology. He received his Juris Doctor from the University of California College of the Law, San Francisco (formerly known as U.C. Hastings).

Since November 2023, Mr. Salehi's practice has mainly been focused on wage and hour class action litigation.

46. In support of the reasonableness of WLF's hourly rates, attached as **Exhibit 6** is a true and correct excerpt from the *2025 Real Rate Report* published by Wolters Kluwer. The Real Rate Report is widely relied upon in the legal industry because it is derived from anonymized billing data taken from actual law firm invoices that were submitted to clients and approved for payment, rather than from voluntary surveys or self-reported rates. Although the report refers to "2025" rates, the data reflects rates charged by law firms during the first half of 2024 and therefore represents the most recent available objective evidence of prevailing market rates.

a. The report provides rate information filtered by geographic market, practice type, and timekeeper role. Page 26 reports third-quartile rates for attorneys handling litigation matters in San Francisco and San Jose, which are the primary Northern California legal markets and serve as the dominant rate-setting centers for complex litigation throughout the region. In San Francisco, the dataset shows third-quartile hourly rates of $1,378 for litigation partners and $875 for associates. In San Jose, the report shows third-quartile hourly rates of $1,250 for litigation partners and $1,030 for associates. The report's in-depth city analyses for San Francisco and San Jose further confirm that these markets consistently reflect some of the highest billing rates in the country for experienced litigators and serve as the benchmark markets for Northern California legal services. Courts evaluating fee requests in Solano County routinely look to the prevailing rates in the nearest major metropolitan markets as benchmarks when assessing reasonableness. The closest and most relevant comparison markets for Solano County litigation are San Francisco and San Jose, where experienced partners routinely bill well above $1,200 per hour based on rates actually charged to clients.

b. The 2025 Real Rate Report's practice-area-specific data further supports this conclusion. Page 81 provides third-quartile rates for the detailed practice category "Employment and Labor: Other Litigation," which is directly analogous to the type of work performed in this case. That dataset includes 24 partners and 14 associates and shows a third-quartile rate of $1,252 per hour for partners and $564 per hour for associates. These figures

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

47. In an article entitled "Big Law Rates Topping $2,000 Leave Value 'In Eye of Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author describes how Big Law firms have crossed the $2,000-per hour rate. The article also notes that law firm rates have been increasing by just under 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 7**.

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

Executed on April 6, 2026, at Los Angeles, California.

Arrash T. Fattahi

EXHIBIT 1

WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
www.wilshirelawfirm.com

Bobby Saadian, Esq. JD/MBA

Sean Paisan, Esq.
H. Gavin Long, Esq.
Colin M. Jones, Esq.
Justin F. Marquez, Esq.
John Yslas, Esq.
Jennifer Burkes, Esq.
Tae Kim, Esq.
Jon Teller, Esq.
Daniel DeSantis, Esq.
Mary Caruso, Esq.
Nicol E. Hajjar, Esq.
Thiago M. Coelho, Esq.
Benjamin Haber, Esq.
Arsiné Grigoryan, Esq.
Arrash T. Fattahi, Esq.
Daniel Kramer, Esq.
Dorota James, Esq.
Arlene Elyasi, Esq.
Maxim Gorbunov, Esq.
Bradford Smith, Esq.
Arman A. Salehi, Esq.

August 21, 2024

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

Automatic Bar Controls, Inc.
1400 Toastmaster Drive
Elgin, IL 60120
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6620 2797 92

CT Corporation System
Agent for Service of Process for:
Automatic Bar Controls, Inc.
330 N. Brand Blvd., Suite 700
Glendale, CA 91203
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6620 2798 08

Re: ***Andrew Martinez v. Automatic Bar Controls, Inc.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

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

Plaintiff wishes to pursue this action on behalf of himself as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in California as a non-exempt or hourly-paid employee at any time within the applicable statutory

period (hereafter, the "Aggrieved Employees").

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

Plaintiff's Employment with Defendant

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

Plaintiff Andrew Martinez is a resident of Solano County, California who worked for Defendant in Solano County as an hourly-paid, non-exempt employee from approximately January 2023 to approximately August 2024. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff mostly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

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

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

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

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

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

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-

clock", uncompensated. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

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

Failure to Provide Meal Periods

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

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

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

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

Failure to Authorize and Permit Rest Periods

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

of California's rest break laws.

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

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

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

Failure to Pay All Earned Wages Twice Per Month

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

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

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

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

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

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

Failure to Timely Pay All Wages at Termination

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

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

missed meal period premium wages, and missed rest period premium wages.

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

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

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

Failure to Furnish Accurate Itemized Wage Statements

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

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

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

Because Defendant violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees

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

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

Failure to Indemnify for Necessary Expenditures

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

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

Action for Civil Penalties Under PAGA

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

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and

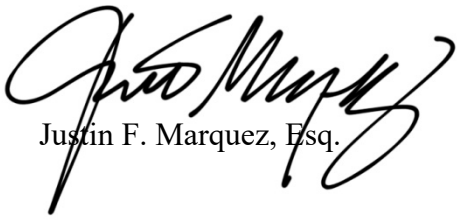
8. Labor Code § 2802 by failing to indemnify for necessary expenditures.

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

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

Sincerely,

WILSHIRE LAW FIRM



Justin F. Marquez, Esq.

EXHIBIT 2

WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Tel: (213) 381-9988
Fax: (213) 381-9989
wilshirelawfirm.com

Sean Paisan, Esq.
John Yslas, Esq.
Tyler Woods, Esq.
Stephanie Mazepa, Esq.
Nicol Hajjar, Esq.
Thiago Coelho, Esq.
Benjamin Haber, Esq.

August 1, 2025

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

CT Corporation System
Agent for Service of Process for:
Automatic Bar Controls, Inc.
330 N. Brand Blvd., Suite 700
Glendale, CA 91203
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6638 7771 74

Automatic Bar Controls, Inc.
1400 Toastmaster Drive
Elgin, IL 60120
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6638 7771 67

Re: *Aaron Fowler* ***v.*** *Automatic Bar Controls, Inc*
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Aaron Fowler ("Mr. Fowler" or "Employee") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, Automatic Bar Controls, Inc ("Automatic Bar Controls"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Automatic Bar Controls engaged in with respect to Mr. Fowler and all of Automatic Bar Controls' Aggrieved Employees.

Mr. Fowler wishes to pursue this action as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Automatic Bar Controls in California as non-exempt or hourly-paid employees at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Mr. Fowler and the Aggrieved Employees suffered the Labor Code violations described below.

Mr. Fowler's Employment with Automatic Bar Controls

Automatic Bar Controls is a Manufacturer and supplier of handheld beverage dispensers based in Solano County. Mr. Fowler worked as an assembly worker whose responsibilities included assembling handheld beverage dispensers. In performing his duties, Mr. Fowler was regularly required to perform off-the-clock work including, but not limited to, during unpaid meal period

without compensation. He was also, at times, deprived of an opportunity to take meal or rest breaks, altogether. The meal and rest breaks he took were often cut short or interrupted. Automatic Bar Controls also failed to provide Mr. Fowler with meal and rest break premiums as required by the Labor Code.

Additionally, Mr. Fowler necessarily incurred business-related expenses, including, but not limited to, use of his personal cell phone for work-related purposes, but Automatic Bar Controls failed to reimburse for all such business-related expenses. These are simply non-exhaustive examples of the facts and theories Mr. Fowler asserts, which are described in more detail below.

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

Mr. Fowler is a resident of Solano County, California, who worked for Automatic Bar Controls in California as an hourly-paid, non-exempt employee from approximately June 2024 to approximately August 2024. Automatic Bar Controls typically scheduled Mr. Fowler to work at least five days in a workweek and at least eight hours per day, but Mr. Fowler regularly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

Throughout Mr. Fowler's employment, Automatic Bar Controls: failed to pay for all hours worked (including minimum, straight time, and overtime wages); failed to provide Mr. Fowler with legally compliant meal periods (and pay corresponding meal period premium wages at the correct rate of pay); failed to authorize and permit Mr. Fowler to take rest periods; failed to timely pay all final wages to Mr. Fowler when Automatic Bar Controls terminated his employment; failed to furnish accurate wage statements to Mr. Fowler; and failed to indemnify Mr. Fowler for expenditures. As discussed below, Mr. Fowler's experience working for Automatic Bar Controls was typical and illustrative.

Automatic Bar Controls Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

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

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

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed

more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

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

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

Failure to Provide Meal Periods

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

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

Mr. Fowler and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Automatic Bar Controls, however, regularly failed to pay Mr. Fowler and the Aggrieved Employees the additional wages to which they were entitled for meal periods that were not provided.

As a result, Automatic Bar Controls is liable to Mr. Fowler and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

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

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

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

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

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Mr. Fowler and the Aggrieved Employees for all wages, as discussed above, Automatic Bar Controls also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period

premium wages owed, and wages owed for overtime hours worked. However, during all such times, Automatic Bar Controls systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by, Automatic Bar Controls, all wages for all rest periods not authorized and permitted by, Automatic Bar Controls, and all wages for all hours worked.

As such, Automatic Bar Controls is liable to Mr. Fowler and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

Automatic Bar Controls, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Mr. Fowler and the Aggrieved Employees.

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

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later

than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

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

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

Mr. Fowler, and terminated Aggrieved Employees are thus entitled to recover from Automatic Bar Controls their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

As such, Automatic Bar Controls is liable to Mr. Fowler and terminated Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

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

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

Throughout the statutory period, Automatic Bar Controls failed to furnish Mr. Fowler and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law). Whether unpaid premiums for missed meal periods must be reported as "wages earned" and credited as "hours worked" in wage statements has been a settled issue since at least 2022.

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

As such, Automatic Bar Controls is liable to Mr. Fowler and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

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

As a result, Automatic Bar Controls is liable to Mr. Fowler and/or the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Mr. Fowler and/or the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Mr. Fowler allege that Automatic Bar Controls violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and
8. Labor Code § 2802 by failing to indemnify for necessary expenditures.

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

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Mr. Fowler becomes aware of additional claims, he reserves the right to revise these facts and/or add any new claims.

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

Sincerely,

WILSHIRE LAW FIRM

Arman A. Salehi, Esq.

EXHIBIT 3

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and Private Attorneys General Act ("PAGA") Settlement Agreement ("Settlement Agreement") is made and entered into between Plaintiffs Andrew Martinez and Aaron Fowler ("Plaintiffs" or "Class Representatives") on the one hand, individually and on behalf of the Settlement Class and Aggrieved Employees (as defined below), by and through their counsel of record, Wilshire Law Firm, PLC ("Class Counsel"), and Defendant Automatic Bar Controls, Inc. ("Defendant") on the other hand, by and through their counsel of record, Seyfarth Shaw LLP, subject to the approval of the Court, as provided below. This Settlement Agreement is intended by Plaintiffs and Defendant to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined below), upon and subject to the terms and conditions herein, as follows:

1. **Definitions.**

As used herein, for the purposes of this Settlement Agreement only, the following terms shall be defined as set forth below:

1.1 "Action" refers to the civil action entitled: *Andrew Martinez v. Automatic Bar Controls, Inc.*, Case No. CU24-06154, in the Superior Court of California, County of Solano.

1.2 "Aggrieved Employee(s)" refers to all Class Members employed by Defendant at any time between August 21, 2023 through November 1, 2025 ("PAGA Period").

1.3 "Class" or "Class Members" refers to all non-exempt employees of Defendant in the State of California at any time between August 15, 2020 through November 1, 2025 ("Class Period"). The term "Class Member" refers to both Participating and Non-Participating Class Members, including Non-Participating Class Members who qualify as Aggrieved Employees. It shall be an opt-out class.

1.4 "Class Member Address Search" means the Administrator's investigation and search for Class Member and Aggrieved Employee 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 or Aggrieved Employees.

1.5 "Class Counsel" refers to Arrash T. Fattahi and Arman A. Salehi of Wilshire Law Firm, PLC.

1.6 "Class Counsel Fees and Costs Award" refers to costs incurred and attorneys' fees sought by Class Counsel and agreed upon by the Parties for Class Counsel's litigation and resolution of these Action, subject to Court approval.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

1.7 "Class Settlement Notice" refers to the form of direct-mail notice to Class Members substantially in the form attached hereto as **Exhibit A**, as may be modified by the Court, entitled the Notice of Settlement of Class Action And Final Approval Hearing.

1.8 "Class Period" refers to August 15, 2020 through November 1, 2025. The Class Period shall be the Release Period for the Class.

1.9 "Class Representatives" refers to Andrew Martinez and Aaron Fowler.

1.10 "Effective Date" refers to the date the Court's order approving the settlement and judgment thereon becomes final. For purposes of the Settlement Agreement, the Court's Judgment "becomes final" upon the later of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Court's Judgment (*i.e.*, 61 calendar days after notice of entry of the Court's Judgment); (ii) if an appeal is filed, the date affirmance of an appeal of the Judgment becomes final; or (iii) if an appeal is filed, the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Judgment.

1.11 "Final Approval Hearing" refers to the hearing at which the Court will make a final determination whether the terms of the Settlement Agreement are fair, reasonable, and adequate for the Class and meet all applicable requirements for approval.

1.12 "Final Approval Order" refers to the final order by the Court approving the Settlement following the Final Approval Hearing.

1.13 "Gross Settlement Amount" (also referred to herein as "GSA") refers to the maximum settlement payment Defendant shall be obligated to make except as provided in Paragraph 19 below: Two Hundred Eighty-Five Thousand Dollars And No Cents ($285,000.00) plus all employer-side payroll taxes. The GSA shall include all Individual Class Payments, the Court-approved Service Awards to the Class Representatives, the Court-approved Settlement Administration Costs, the Court-approved PAGA Payment, and the Court-approved Class Counsel Fees and Costs Award. The GSA is non-reversionary.

1.14 "Individual Class Payment" means each Participating Class Member's pro rata share of the Net Settlement Amount, calculated pursuant to the formula described in Paragraph 6.1.1 below.

1.15 "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of the PAGA Penalties, calculated pursuant to the formula described in Paragraph 6.2.2 below.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

1.16 "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.17 "LWDA Payment" means the $6,500.00 amount the Parties have agreed to pay the Labor and Workforce Development Agency ("LWDA") in connection with the settlement of Plaintiffs' PAGA claims, representing 65% of the PAGA Payment.

1.18 "Net Settlement Amount" (also referred to herein as "NSA") shall be defined as the GSA minus the Court-approved Service Awards to the Class Representatives, the Court-approved Settlement Administration Costs, the Court-approved Class Counsel Fees and Costs Award, and the PAGA Payment. The NSA is the maximum amount that shall be available for distribution to and on behalf of Class Members for Class Member Payments.

1.19 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Settlement Administrator a valid and timely Request for Exclusion.

1.20 "Notice Packet" refers to the Class Action and Representative Settlement Notice as set forth herein in the form substantially similar attached as **Exhibit** "**A**," and subject to approval by the Court.

1.21 "Operative Complaint" refers to the First Amended Complaint to be filed in the Action as described Paragraph 3.1 below.

1.22 "PAGA Payment" means the $10,000.00 amount the Parties have agreed to allocate to the resolution of any Aggrieved Employee's claims arising under PAGA. Under PAGA, 65% of the PAGA Payment will be paid to the LWDA (the "LWDA Payment"). The remaining 35% of the PAGA Payment will be distributed to Aggrieved Employees (the "PAGA Penalties").

1.23 "PAGA Penalties" means the $3,500.00 amount the Parties have agreed to pay the Aggrieved Employees in connection with the settlement of their claims under PAGA, representing 35% of the PAGA Payment.

1.24 "PAGA Period" refers to August 21, 2023 through November 1, 2025. The PAGA Period shall be the Release Period for the Aggrieved Employees.

1.25 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.26 "Parties" refers to Plaintiffs and Defendant collectively.

1.27 "Plaintiffs' Released Claims" are those claims defined in Paragraph 12.3 that are released solely by Plaintiffs against the Released Parties.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

1.28 "Preliminary Approval" refers to the date the Court grants preliminary approval of the Settlement.

1.29 "Preliminary Approval Order" refers to the Court's Order granting Preliminary Approval of the Settlement.

1.30 "Released Class Claims" are those claims defined in Paragraph 12.1 that are released by Settlement Class Members.

1.31 "Released PAGA Claims" are those claims defined in Paragraph 12.2 that are released by Aggrieved Employees.

1.32 "Released Parties" means: Defendant and all of its current and/or former subsidiaries, parents, affiliates, joint ventures, and predecessors, and all of their respective insurers, agents, executive-level employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries.

1.33 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement in accordance with Paragraph 13.

1.34 "Response Deadline" refers to a date that is 45 calendar days after the date that the Notice Packet is initially mailed to Class Members and Aggrieved Employees, and is the deadline by which any Class Member may postmark his or her Objection to the Settlement, request for exclusion from the Settlement, or workweek and/or pay period dispute subject to any extensions as provided in Paragraph 13.3.6 below.

1.35 "Service Awards" refers to the Court's award of a monetary payment to Plaintiffs for their services as Class Representatives as described in Paragraph 8, to be paid from the Gross Settlement Amount, and in return for executing Plaintiffs' Released Claims as set forth in Paragraph 12.3.

1.36 "Settlement" refers to the settlement of these Action on behalf of the Settlement Class under the terms and conditions set forth in this Settlement Agreement.

1.37 "Settlement Administration Costs" refers to the costs that the Parties agree to pay the Settlement Administrator, subject to Court approval, for its fees and costs to perform the notice, claims administration, and distribution functions further described in this Settlement Agreement. The Parties anticipate that the Settlement Administration Costs will not exceed $4,490.00.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

1.38 "Settlement Administrator" or "Administrator" refers to the third-party administrator mutually selected by the parties, subject to Court approval, to perform the notice, claims administration, and distribution functions further described in this Settlement Agreement. The Parties agree to use APEX Class Action Administration subject to Court approval. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

2. **Procedural History, Recitals, Filing of First Amended Complaint.**

2.1 On or about August 15, 2024, Plaintiff filed a complaint alleging causes of action for: (1) Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7 and 512); (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code § 226.7); (5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, *et seq*.)

2.2 On September 2, 2025, the Parties participated in a mediation session before mediator Steve Serratore, an experienced mediator who has mediated numerous wage-hour class actions. The case resolved after Mr. Serratore issued a mediator's proposal that the Parties accepted on September 4, 2025.

2.3 Defendant denies each of the claims in the complaint, and further denies that it is liable to Plaintiffs, the Class, or Aggrieved Employees and further denies that, for any purpose other than settling this Action, this Action is appropriate for class action or representative treatment.

2.4 Prior to mediation Plaintiffs obtained, through informal discovery, relevant wage and hour policies and procedures, such as meal and rest break policies, and an approximated 30% sampling of time and payroll records for the Class. The Parties agree that Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot 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*"). Class Counsel represents that they have thoroughly investigated the class claims against Defendant. Class Counsel represents that they have conducted their own investigation into the underlying facts, events, and issues related to the subject matter of this Action. Class Counsel represents that they have further undertaken an extensive analysis of the legal principles applicable to the claims asserted against Defendant, and the potential defenses thereto. Plaintiffs and Defendant have had an opportunity to evaluate their respective positions on the merits of the claims asserted.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

2.5 Class Counsel also has engaged in intensive arms-length negotiations with counsel for Defendant with a view toward achieving substantial benefits for the Class, while avoiding the cost, delay and uncertainty of further litigation, trial, and appellate review.

2.6 As a consequence of said negotiations, and of Class Counsel's investigation, analysis and discovery, Plaintiffs and Class Counsel determined to enter into this Settlement Agreement on the terms and conditions hereinafter set forth, believing such Settlement to be fair, reasonable, and adequate and in the best interests of Class Members. Plaintiffs and Class Counsel have determined to execute this Settlement Agreement and urge approval by the Court of the proposed Settlement after considering: (1) the substantial factual and legal defenses asserted by Defendant to the claims asserted in this Action; (2) the potential difficulties Plaintiffs and Class Members would encounter in establishing the elements of their claims; (3) the substantial benefits that Class Members shall receive pursuant to the proposed Settlement; (4) the fact that the proposed Settlement ensures that Class Members shall receive relief in the most expeditious and efficient manner practicable, and thus much sooner than would be possible were the claims to be litigated successfully through trial and appeal; and (5) the fact that the proposed Settlement allows persons who would otherwise fall within the definition of the Class, if they so desire, to opt out of the Settlement and individually pursue the claims alleged in the Action.

2.7 As set forth above, without admitting any wrongdoing or liability, Defendant is willing to agree to the terms of the proposed Settlement provided that all of the Released Claims (as defined below) are settled and compromised, in order to fully resolve all issues relating to the subject matter of the Action.

2.8 The Court has not granted class certification in the Action.

NOW THEREFORE, in consideration of the covenants and agreements set forth herein, and of the release and dismissal of all Released Claims, Plaintiff, on behalf of himself and as the Class Representative on behalf of the Class and Aggrieved Employees, Class Counsel, and Defendant agrees to the terms and provisions of this Settlement Agreement, subject to the approval of the Court.

3. **Filing of First Amended Complaint, Dismissal of PAGA Action.**

3.1 First Amended Complaint: If not completed before the execution of this Settlement Agreement, Class Counsel shall prepare a First Amended Complaint for Defense Counsel's review and approval within seven (7) days after this Settlement Agreement is fully executed. The First Amended Complaint shall name Aaron Fowler as a class representative and add a PAGA cause of action (the "Operative Complaint"). The PAGA cause of action shall include all Labor Code sections and facts alleged in the LWDA

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

letters that were submitted on August 21, 2024 and August 1, 2025. The Parties agree that, before the filing of a Motion for Preliminary Approval, Plaintiffs will file a joint stipulation requesting that the Court grant leave to file the First Amended Complaint for settlement purposes. Defendant shall not be required to file an answer to the First Amended Complaint and no affirmative or other defense shall be considered waived as to the First Amended Complaint, if the Court does not grant Final Approval of the Settlement.

4. **Stipulation to Certification and Limitation on Effect of Settlement.**

4.1 The Settlement shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class is appropriate or proper or that Plaintiffs could establish any of the requisite elements for class or representative action treatment of any of the claims in the Action. For purposes of this Settlement only, the Parties stipulate to the certification of the Class under California Code of Civil Procedure Section 382. In the event that the Settlement is not finally approved, or the Settlement is otherwise terminated, Defendant expressly reserves all rights to challenge certification of a class on all available grounds.

5. **Establishment of the GSA.**

5.1 Under the Settlement, Defendant shall pay a GSA of no more than $285,000 plus all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments. The GSA is a material term of this Settlement Agreement. Except as it relates to the Escalator and Defendant's obligation to separately pay its share of employer-side payroll taxes, to the extent the Court orders Defendant to pay more than the GSA as part of this Settlement Agreement, Defendant shall retain the right, in the exercise of its sole discretion, to nullify this Settlement Agreement.

5.2 This Settlement shall be made on a non-claims-made basis and will be non-reversionary.

5.3 Payment by Defendant pursuant to this Settlement Agreement shall settle all Released Claims between the Released Parties and Settlement Class Members (including all Aggrieved Employees), including all Individual Class Payments, the Court-approved Service Awards to the Class Representatives, the Court-approved Settlement Administration Costs, the Court-approved PAGA Payment, and the Court-approved Class Counsel Fees and Costs Award.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

6. **Calculation of the NSA and Distribution of Settlement Proceeds.**

6.1 This Settlement shall be a "non-claims-made" settlement. Each Class Member will be entitled to a share of the NSA for the Individual Class Payment in accordance with the formula set forth below. Payments will be made from the NSA only to Participating Class Members, as set forth herein. Assuming the Court approves the maximum amounts sought to be deducted from the GSA, the NSA is estimated to be $125,760.00.

6.1.1 Each Participating Class Member will be paid a portion of the NSA in accordance with the following formula:

The pro rata portion of the NSA to be distributed to each Settlement Class Member shall be determined by dividing the total number of workweeks worked during the Class Period into the NSA to arrive at a value per workweek for each eligible Settlement Class Member. The value per workweek shall be multiplied by the number of workweeks worked by each Settlement Class Member during the Class Period. For purposes of payment, workweeks shall be determined based on hire dates, termination dates, and re-hire dates, as applicable.

6.2 Subject to Court-approval, a PAGA Payment in the amount of $10,000.00 shall be paid from the GSA with 65% ($6,500.00) allocated to the LWDA Payment and 35% ($3,500.00) allocated to PAGA Penalties.

6.2.1 Each Aggrieved Employee will be entitled to a share of the PAGA Penalties (aka the 35% of the PAGA Payment payable to Aggrieved Employees) in accordance with the formula set forth below. Payments will be made from the PAGA Penalties only to Aggrieved Employees as set forth herein. Assuming the Court approves the PAGA Payment stipulated to by the Parties, the PAGA Penalties are estimated to be $3,500.00.

6.2.2 Each Aggrieved Employee will be paid a portion of the PAGA Penalties in accordance with the following formula:

The pro rata portion of the PAGA Penalties to be distributed to each Aggrieved Employee shall be determined by dividing the total number of pay periods worked during the PAGA Period into the PAGA Penalties to arrive at a value per pay period for each eligible Aggrieved Employee. The value per pay period shall be multiplied by the number of pay periods worked by each Aggrieved Employee during the PAGA Period. For purposes of payment, pay periods shall be determined based on hire dates, termination dates, and re-hire dates, as applicable.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

6.2.3 If the Court approves a PAGA Payment of less than the amount requested, the Settlement Administrator will allocate the remainder to the NSA. Any change in the requested PAGA Payment is not a material term of this Agreement. If the Court approves a lesser or greater amount than that requested, the other terms of this Agreement shall remain in effect. However, some approval of a PAGA Payment is a material term of this Agreement. If the Court does not approve any PAGA Payment without leave to amend, then the entire Agreement will be, at Defendants' sole discretion, void and unenforceable. In such case, the Parties shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement and the Parties shall proceed in all respects as if this Agreement had not been executed except that the costs of administration shall be borne by Defendant.

6.3 Payments to Class Members and Aggrieved Employees pursuant to this Settlement Agreement are not intended by the Parties to be compensation for purposes of determining eligibility, vesting, participation, or contributions with respect to any employee benefit plan. For purposes of this Agreement, the term "benefit plan" means every ERISA "employee benefit plan," as defined in the Employee Retirement and Income Security Act of 1974 ("ERISA"), 29 U.S.C. section 1002(3). The term also includes any 401(k) plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare, profit sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred compensation, or any other similar benefit plan, practice, program, or policy, regardless of whether any such plan is considered an ERISA employee benefit plan.

7. Class Counsel Fees and Costs Award.

Class Counsel shall move for Class Counsel Fees and Costs Award contemporaneous with the motion for the Final Approval Order requesting, and to which Defendant agrees to not oppose, Class Counsel Fees that are equal to or less than 35% of the GSA (currently estimated to be $99,750.00), plus a Costs Award up to $25,000.00. Defendant retains the right to oppose a request for Class Counsel Fees exceeding 35% of the GSA or a request for Costs Award in excess of $25,000.00. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Costs Award. If the Court awards a lower amount of Class Counsel Fees or Costs Award requested by Class Counsel, the other terms of this Agreement shall apply. Should the Court approve Class Counsel Fees or Costs Award in an amount less than that set forth herein, the unapproved portion or portions shall revert to the NSA and be apportioned to Settlement Class Members as described in Paragraph 6.1.1 of this Settlement Agreement. The award of Class Counsel Fees or Costs Award in the amounts sought is not a material term of this Agreement and the award of any of these items at less than requested by Class Counsel does not give rise to a basis to abrogate this Agreement.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

8. **Service Awards.**

Class Counsel shall file a motion requesting Service Awards, to which Defendant agree not to object, of up to $10,000.00 to each of the respective Plaintiffs from the GSA in consideration for serving as Class Representatives and in exchange for Plaintiffs' Released Claims. Defendant retains the right to object to a request for Service Awards in excess of this amount. If the Court awards a lower amount for the Service Awards requested by Plaintiffs' counsel, the other terms of this Agreement shall apply. Should the Court approve Service Awards in an amount less than that set forth herein, the unapproved portion or portions shall revert to the NSA and be apportioned to Settlement Class Members as described in Paragraph 6.1.1 of this Settlement Agreement. The award of any Service Award in the amount sought is not a material term of this Agreement and the award of an amount less than requested by Plaintiffs do not give rise to a basis to abrogate this Agreement.

9. **Costs of Settlement Administration.**

The Parties agree to mutually select APEX Class Action Administration as the Settlement Administrator in the Action. This administration duty shall include without limitation, setting up an escrow account for funding of the Settlement, obtaining tax identification number(s) for Defendant applicable to the Settlement, calculating the Individual Class and PAGA Payments, performing an initial Class Member Address Search upon receipt of the Class Member mailing addresses, mailing the Notice Packets, performing one skip trace on Notice Packets returned as undeliverable, establishing a hotline telephone number to communicate with Class Members about the Settlement, reviewing and processing requests by Class Members to opt out of the settlement, reviewing and submitting to Class Counsel and Defense Counsel any received objections, mailing the Individual Class and PAGA Payments and tax forms to the Settlement Class Members and Aggrieved Employees, and making all required distributions to Settlement Class Members. The Settlement Administrator will report payment of the Individual Class Payments and Individual PAGA Payments to all required taxing and other authorities, and requisite reporting documentation to the applicable taxing agencies, and issue appropriate tax forms. The Settlement Administrator will establish a Qualified Settlement Fund ("QSF"), pursuant to U.S. Treasury Regulation Section 468B(g) of the Internal Revenue Service for the purposes of administering the Settlement. All Settlement Administration Costs shall be taken from the GSA. The Parties expect Settlement Administration Costs to not exceed $4,490.00. Any unapproved amount of Settlement Administration Costs shall be allocated to the NSA and apportioned to the Class Members as described in Paragraph 6.1.1 of this Settlement Agreement. The award of Settlement Administrator Costs in the amount sought is not a material term of this Agreement and the award of an amount less than requested by Plaintiffs do not give rise to a basis to abrogate this Agreement.

The Settlement 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, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees and Costs Award and Service Awards,

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

the Final Approval Order and the Judgment. The Settlement Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

10. **Payment Procedure.**

10.1 Funding the Settlement. Within 30 calendar days after the Effective Date, Defendant will deposit money into an account, through the Settlement Administrator, in an amount equal to the GSA, plus any amounts necessary to fully pay Defendants' share of payroll taxes.

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

10.3 Payments to Class Members, Aggrieved Employees, the LWDA, Class Counsel, Class Representative, and Taxing Authorities. Within 10 calendar days after the funding of the Settlement, the Settlement Administrator will pay: (1) the NSA to the Settlement Class Members per the terms of this Settlement Agreement and the Final Approval Order; (2) the Court-approved PAGA Payment to Aggrieved Employees and the LWDA; (3) the Court-approved Class Counsel Fees and Costs Award; (4) the Court-approved Settlement Administration Costs; and (5) the Court-approved Service Awards to the Class Representatives. Disbursement of the Class Counsel Fees and Costs Award, the Settlement Administration Costs, and Service Award shall not precede disbursement of the Individual Class and PAGA Payments. The Settlement Administrator shall also, within the time periods prescribed by law and/or regulations, remit all applicable tax withholdings (if any) to the appropriate taxing authorities. Before mailing any checks, the Settlement Administrator must perform a Class Member Address Search.

10.4 Checks to Class Members. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

10.5 Uncashed Class Payments. In the event that a Class Member Payment check is not cashed within 180 calendar days from the date initially mailed by the Settlement Administrator, such funds shall escheat to the State and shall be sent by the Settlement Administrator to the State Controller's Office, Unclaimed Property Division, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). In such event, release of Released Claims will remain binding upon the affected Settlement Class Member. The Settlement Administrator will cancel all checks not cashed by the void date. All uncashed Individual PAGA Payments will be distributed to the LWDA. The requirement that any uncashed Class Member checks be distributed to the State of California's Unclaimed Property Fund to be held in the name of each expired check payee pursuant to applicable unclaimed property laws is not a material term of this Settlement and an order from the Court requiring the Parties to distribute unclaimed funds to a *cy pres* shall not give rise to a basis on which to abrogate the settlement provided that no "unpaid residue" remains within the meaning of California Code of Civil Procedure section 384.

10.6 Returned Checks. The Settlement Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date unless the Settlement Class Member's check has already been cashed.

11. Tax Treatment.

11.1 Tax Treatment of Claimed Portion of Settlement Payments. Ten percent (10%) of the Net Settlement Amount attributable to the Class Settlement Award will be allocated to the settlement of disputed claims for wages (the "Wage Portion"), and ninety percent (90%) of the Net Settlement Amount attributable to the Class Settlement Award will be allocated to the settlement of disputed non-wage claims – *i.e.* penalties and interest (the "Non-Wage Portion"). All of the PAGA Payment will be allocated to the settlement of disputed non-wage claims. The Settlement Administrator will issue to Class Members a Form W-2 for the Wage Portion of all Settlement Payments and a Form 1099 for the Non-Wage Portion of all Settlement Payments. Class Members shall assume full responsibility and liability for the payment of taxes due on such amounts.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

11.2 Tax Treatment of Class Representatives' Service Awards. Plaintiffs will receive an IRS Form 1099 for their individual Service Awards, and will be responsible for payment of any taxes owing on said amount. Plaintiffs shall assume full responsibility and liability for the payment of taxes due on such Service Awards.

11.3 Tax Treatment of Attorneys' Fees And Cost Award. Class Counsel will receive an IRS Form 1099 for any amount awarded to Class Counsel in the Class Counsel Fees or Costs Awards and will be responsible for payment of any taxes owing on said amounts. Class Counsel shall assume full responsibility and liability for the payment of taxes due on such amounts.

11.4 No Tax Advice. Defendant is not giving any tax advice in connection with the Settlement or any payments to be made pursuant to this Settlement. Each Settlement Class Member agrees to indemnify, and hold harmless Defendant from any liability for taxes, fees, costs, or assessments resulting from his or her failure to timely pay his or her share of taxes, interest, fees, or penalties owed.

12. **Releases.**

Upon full payment by Defendant of the GSA to the Settlement Administrator, and in exchange for the consideration set forth in this Settlement Agreement, Plaintiffs and the Settlement Class Members agree to release those claims set forth herein as applicable.

12.1 Release by Participating Class Members: By operation of the entry of the Court's Final Approval Order and judgment, each Participating Class Member and each of their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians will release the Released Parties from any and all claims, rights, demands, charges, complaints, causes of action, obligations, or liability of any and every kind or nature, contingent or accrued, and irrespective of theory of recovery, that arose during the Class Period and which were or could have been brought based on the facts or claims alleged in any version of the complaints filed in the Action or enumerated in Plaintiffs' letters to the LWDA requesting authorization to be deputized as private attorney generals for the purposes of pursuing a PAGA claim (the "LWDA Letter"). The released claims means any and all claims arising during the Class Period that were pled or could have been pled based on the factual allegations in the Operative Complaint, including, but not limited to, any claims for failure to pay wages, including minimum wages and overtime and including but not limited to wages due based on alleged time rounding and/or off-the-clock work, failure to pay wages (including overtime wages) at the regular rate of pay, failure to provide meal periods, failure to authorize and permit rest periods, short/late meal and rest periods, failure to relieve employees of all duties during meal and/or rest periods, failure to pay for time worked off the clock during meal periods, failure to properly

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

compensate meal or rest break premiums at the regular rate of pay, failure to furnish accurate wage statements, failure to timely pay wages during employment, failure to reimburse for all necessary expenses, failure to timely pay wages at separation, as well as claims derivative and/or related to these claims, liquidated damages, conversion of wages, claims under California Labor Code §§ 201-204, 210, 218.5, 218.6, 226, 226.7, 510, 512, 1021.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, claims under the applicable IWC Wage Order, and claims arising under Business and Professions Code section 17200 arising from the Labor Code violations released herein. Participating Class Members shall further waive their right to pursue individual lawsuits as to any of the claims released herein against the Released Parties to the extent such claims accrued during the Class Period.

12.2 Release by Aggrieved Employees: As to claims for civil or statutory penalties for violation of PAGA, the State of California and all Aggrieved Employees, including Plaintiffs, shall release the Released Parties for all claims for penalties under PAGA during the PAGA Period that were or could have been alleged in the Action based on the facts or claims alleged in any version of the Complaint (for the PAGA cause of action) and/or the LWDA Letter irrespective of the underlying theory of recovery supporting the claim for PAGA penalties.

12.3 Plaintiffs' Release: In addition to the foregoing releases, and in exchange for the additional Service Awards, Plaintiffs agree to a general release of all claims, known or unknown, under federal, state, and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to Plaintiffs' employment with Defendant and their compensation while employed by Defendant which occurred at any time including before or during the Class Period. This general release includes a waiver of rights under section 1542 of the California Civil Code. Plaintiffs make this release understanding the significance of this waiver. Section 1542 provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

12.4 Plaintiffs warrant and represent that they have not assigned or transferred to any person or entity any of Plaintiffs' Released Claims or any rights, claims, or causes of action arising out of Plaintiffs' Released Claims. In addition, Plaintiffs shall defend, hold harmless, and indemnify the Released Parties,

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

or any of them, from and against any claims, damages, litigation, causes of action, and expenses, including reasonable attorneys' fees, resulting from any breach by either of the Plaintiffs of this warranty and representation, or any breach of Plaintiffs of their release of Plaintiffs' Released Claims.

12.5 Prohibition on Subsequent Assertion of Released Claims. Plaintiffs, to the fullest extent allowed by law, are prohibited from asserting a Released Claim, and from commencing, joining in, or voluntarily assisting in a lawsuit or adversary proceeding against the Released Parties, based on Plaintiffs' Released Claims. Excluded from this prohibition are any instances where any individual is legally compelled to testify through service of a subpoena or other process. Settlement Class Members, to the fullest extent allowed by law, are prohibited from asserting a Released Claim, and from commencing, joining in, or voluntarily assisting in a lawsuit or adversary proceeding against the Released Parties, based on Released Claims. Excluded from this prohibition are any instances where any individual is legally compelled to testify through service of a subpoena or other process.

13. **Class Settlement Notice and Claims Administration.**

13.1 Duties of Settlement Administrator. The Parties agree to APEX Class Action Administration as the Settlement Administrator to perform the notice and other settlement claims administration functions set forth below.

13.1.1 Weekly Reports. The Settlement Administrator shall provide Defendants' counsel and Class Counsel with weekly summary reports, including the total number of Class Settlement Notices that were returned as undeliverable, the total number of objections and requests to opt out of the settlement, and the amounts not claimed by Class Members as a result of the submission of timely and valid requests to opt out of the settlement, if any, and/or any uncashed or undeliverable Settlement Checks. The Settlement Administrator shall maintain records of its work, which shall be available for inspection upon request by Defense counsel or Class Counsel.

13.1.2 Workweek and/or Pay Period Challenges. The Administrator has authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of workweeks and/or pay periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

13.1.3 Requests for Exclusion. The Administrator will promptly review on a rolling basis opt-out requests to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting opt-out requests, the Settlement Administrator shall email a list to Class

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

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

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

13.2 Identification of Class Members.

13.2.1 Within 30 calendar days of the entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the following Class Data, to the extent that it possesses the information.

(1) the names, last known addresses, and last known telephone numbers of each Class Member;

(2) the social security number of each Class Member;

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

(3) the start and ending dates of employment for each Class Member;

(4) the number of workweeks worked by each Class Member during the Class Period; and

(5) the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

(6) To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Settlement Administrator employees who need access to the Class Data to effect and perform under this Agreement.

13.2.2 If Defendant and the Settlement Administrator determine, based upon further review of available data, that a person previously identified as being a Class Member should not be so included or identify a person who should have been included as a Class Member but was not so included, Defendant and the Settlement Administrator shall promptly delete or add such person as appropriate and immediately notify Class Counsel prior to such deletions or additions (and the reasons therefor).

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

13.2.4 Other than the obligations set forth in this Settlement Agreement, Defendant shall have no additional obligation to identify or locate any Class Member or have any liability in connection with the provision of information to the Settlement Administrator or otherwise.

///

///

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

13.3 Notice to Class Members

13.3.1 Class Settlement Notice. The Class Settlement Notice shall be a pre-printed notice, in substantially the form attached hereto as **Exhibit A** and to be approved by the Court. In addition to other information contained on the Class Settlement Notice, the Class Settlement Notice shall state the number of workweeks and/or pay periods that the Class Member worked in California during the Class Period and/or PAGA Period. The workweeks and pay periods shall be determined according to Defendants' records. The Class Settlement Notice also shall also include an estimate of the Class Member's Individual Class Payment and/or PAGA Payment and an explanation of the pro rata distribution formula.

13.3.1.1 Challenges to the Calculation of Workweeks / Pay Periods. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Notice is remailed) to challenge the number of workweeks and pay periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Settlement Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the workweeks and/or pay periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of workweeks and/or pay periods shall be final and not appealable or otherwise susceptible to challenge. The Settlement Administrator shall promptly provide copies of all challenges to calculation of workweeks and/or pay periods to Defense Counsel and Class Counsel and the Settlement Administrator's determination the challenges

13.3.2 Upon its receipt of the Class Data, the Settlement Administrator shall perform a Class Member Address Search and update any addresses.

13.3.3 No later than 3 business days after receipt of the Class Data, the Settlement Administrator shall notify Class Counsel that the list has been received and state the number of Class Members and workweeks in the Class Data.

13.3.4 The Settlement Administrator shall provide the Notice Packet by first class mail, forwarding requested, to the Class Members at the

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

addresses identified through the process described above. This mailing shall occur no later than 14 days after the Settlement Administrator receives the Class Data. The first page of the Class Notice shall estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Settlement Class Member, and the number of workweeks and/or pay periods used to calculate these amounts. Before mailing Notice Packets, the Settlement Administrator shall update Class Member addresses as necessary following a Class Member Address Search.

13.3.5 Not later than 3 business days after the Settlement Administrator's receipt of any Notice Packet returned as undeliverable, the Settlement Administrator shall re-mail the Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

13.3.6 The deadlines for Class Members' written objections, Challenges to workweeks and/or pay periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

13.4 Notice to the LWDA. Class Counsel shall timely transmit to the LWDA all necessary PAGA documents concerning this Settlement, including this Agreement.

14. **Objections to the Settlement.**

14.1 Any Class Member who does not submit a valid and timely request to opt out of the settlement (*i.e.*, a Participating Class Member) may object to the Settlement. Any Participating Class Member who wishes to object to the Settlement must submit a written objection by fax, email, or mail to the Settlement Administrator no later than the Response Deadline.

14.2 The objection must include the case name and number and must set forth, in clear and concise terms, a statement of the reasons why the objector believes that the Court should find that the Settlement is not in the best interest of the Class Members and the reasons why the Settlement should not be approved, including the legal and factual arguments supporting the objection. The Settlement Administrator will promptly serve copies of any

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

objection or notice of intention to appear on Class Counsel and Defense Counsel.

14.3 Settlement Class Members shall be entitled to appear and/or object at the Final Approval Hearing regardless of whether they have submitted a timely written objection and notice of intention to appear pursuant to this Section. Settlement Class Members may appear at the Final Approval Hearing, either in person or through a lawyer retained at their own expense.

14.4 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 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

15. **Requests for Exclusion (Opt Outs)**

15.1 In order to opt out of the Settlement, the Class Member must timely submit by fax, email, or mail, an opt-request request (the "Request for Exclusion") to the Settlement Administrator by the Response Deadline.

15.2 The Request for Exclusion should state the Class Member's name, address, telephone number, and signature. However, the Settlement Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Settlement Administrator shall accept any Request for Exclusion as valid if the Settlement Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Settlement Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Settlement Administrator has reason to question the authenticity of a Request for Exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. The Settlement Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

15.3 Class Members who submit a valid and timely Request for Exclusion shall not be permitted to object to the Settlement or appeal and shall not receive any Individual Class Payment from the Net Settlement Amount. Class Members who opt out also shall not be bound by the Class Release provisions in this Agreement or the Final Approval Order. Each Class Member who does not opt out of the Settlement shall remain qualified to receive an Individual Class Payment and shall be subject to being bound by the applicable Released Class Claims provisions in this Agreement or the Final Approval Order, regardless of whether the Class Member actually receives the Class Notice or objects to the Settlement.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

15.4 Except for persons who elect to opt out of the Class in the manner and within the time limits specified above and in the Class Settlement Notice, all Class Members shall be deemed to be within the Class for all purposes under this Settlement Agreement, shall be bound by the terms and conditions of this Settlement Agreement (including the release provisions in Paragraph 12.1), including all orders issued pursuant thereto, and shall be deemed to have waived all unstated objections and unstated opposition to the fairness, reasonableness, and adequacy of this Settlement Agreement, and any of its terms.

15.5 Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Class Members who are Aggrieved Employees (including Non-Participating Class Members) are deemed to release the claims identified in Paragraph 12.2 of this Agreement and are eligible for an Individual PAGA Payment.

16. **Application for Preliminary Approval Order.**

After the Parties' execution of this Agreement, Plaintiffs shall file for preliminary approval of the proposed Settlement, requesting a Preliminary Approval Order that contains the following provisions:

(1) preliminarily approving the Settlement Agreement and its terms;

(2) approving the form of the Class Settlement Notice, and finding that the proposed method of disseminating the Class Settlement Notice meets the requirements of due process and is the best notice practicable under the circumstances;

(3) establishing the procedures and the deadline by which Class Members may assert objections to the Settlement or opt out of the Settlement;

(4) establishing a deadline to submit papers/briefing in response to any objections and for Plaintiffs to submit papers/briefing in support of final approval of the Settlement Agreement including the Service Award for the Class Representative and the Class Counsel Fees and Costs Award;

(5) appointing Class Counsel, the Settlement Administrator, and the Class Representative; and

(6) setting a date for the Final Approval Hearing.

Counsel for Defendant will be given an opportunity to comment on said motion at least seven (7) calendar days prior to filing, and such comments shall be implemented to the extent they are deemed reasonable by Plaintiffs and Class Counsel.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

17. **Final Approval Order and Judgment.**

If the Settlement shall be finally approved by the Court following the Final Approval Hearing, the Parties hereto shall jointly request that the Court enter a Final Approval Order and Judgment, which includes the following provisions:

(1) confirming certification of the Settlement Class for settlement purposes;

(2) finding that the dissemination of the Class Notice, in the form and manner ordered by the Court was accomplished as directed, and met the requirements of due process;

(3) finally approving the Settlement Agreement and the Settlement as fair, reasonable and adequate and directing consummation of the Settlement in accordance with its terms and provisions;

The Judgment shall include the following provisions:

(1) directing the Parties to implement the terms of the Settlement Agreement;

(2) releasing and discharging the Released Parties from any and all liability with respect to the Plaintiffs' Released Claims, Released Class Claims, and Released PAGA Claims as hereinabove provided, except for full payment of the Gross Settlement Amount;

(3) resolving and settling all of Plaintiffs' Released Claims as hereinabove provided, with the release precluding them from instituting, commencing, directly or indirectly, as an individual or collectively, representatively, derivatively, or on behalf of themselves, or in any other capacity of any kind whatsoever, any action in this Court, any other state court, or any arbitration or mediation proceeding or any other similar proceeding, against any Released Party that asserts any claims that are Plaintiffs' Released Claims under the terms of the Settlement;

(4) resolving and settling all the Released Class and PAGA Claims by all Settlement Class Members and Aggrieved Employees as hereinabove provided, with the release precluding them from instituting, commencing, or continuing to prosecute, directly or indirectly, as an individual or collectively, representatively, derivatively, or on behalf of himself or herself, or in any other capacity of any kind whatsoever, any action in this Court, any other state court, or any arbitration or mediation proceeding or any other similar proceeding, against any Released Party that asserts any claims that are Released Class or PAGA Claims under the terms of the Settlement;

(7) awarding the Service Awards to the Class Representatives, Class Counsel Fees and Costs Award to Class Counsel, and Settlement Administration Costs to the Settlement Administrator, as determined by the Court;

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

(8) reserving continuing and exclusive jurisdiction over all matters related to the administration and consummation of the terms of this Settlement and enforcement of the Judgment; and

(9) dismissing the Action with prejudice.

18. **Effect of Settlement Not Being Final.**

In the event that the Settlement does not become Final then the Settlement Agreement shall become null and void, and all negotiations, proceedings, and statements relating thereto shall be without prejudice as to the rights of any and all Parties hereto, and all Parties and their respective predecessors and successors shall be deemed to have reverted to their respective positions in the Action as of the date and time immediately prior to the execution of this Settlement Agreement, and shall retain all rights to make all arguments regarding the merits of the claims and the appropriateness of the case for class and/or representative action treatment. If the Court does not approve either preliminarily or finally any material term or condition of the Settlement Agreement, or if the Court effects a material change to the Settlement, then this entire Settlement Agreement will be, at the Parties' discretion, voidable and unenforceable.

19. **Escalator.**

Based on their records, Defendant estimates that there are 8,500 total workweeks between August 15, 2020 and September 2, 2025 (the date of mediation). If the actual number of workweeks during this timeframe exceeds 8,500 by more than 10% (i.e., at least 9,351 total workweeks), Defendant shall have the option in its sole and absolute discretion to either: (a) increase the Gross Settlement Amount by the actual percentage that is more than 10% (i.e., if the workweek increase is 11%, then the GSA will increase by 1%); or (b) agree that the Class Period shall cut off as of the date the number of workweeks worked by Participating Class Members is 9,350 or less.

20. **Tolerance of Requests for Exclusion.**

Notwithstanding any other provision of this Settlement Agreement, Defendant shall retain the right, in the exercise of their sole discretion, to nullify the Settlement within 15 calendar days after expiration of the Response Deadline, if more than 8% of Class Members choose to validly and timely request to opt out of this Settlement. The Parties agree that, if Defendant withdraws, 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 Settlement Agreement; provided, however, that Defendant will remain responsible for paying all Settlement Administration Costs incurred to that point.

21. **No Admissions.**

The Parties understand and agree that this Settlement Agreement is the result of a good faith compromise settlement of disputed claims, and no part of this Settlement Agreement or any conduct or written or oral statements made in connection with this Settlement and this Settlement Agreement, whether or not the Settlement is finally

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

approved and/or consummated, may be offered as or construed to be an admission or concession of any kind by Defendant, or any of the Class Members, Released Parties, or Plaintiff. This Settlement and this Settlement Agreement shall not constitute an admission on behalf of Defendant of any form of liability or the accuracy of any allegation made by Plaintiffs or Class Counsel.

22. **Waiver of Right to Appeal.**

Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees and Costs Award reflected set forth in this Settlement, the Parties, their respective counsel, and all Settlement Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final.

23. **No Solicitation**

The Parties agree that they and their respective counsel and employees will not solicit any Class Members to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

24. **Amended Judgment.**

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and file a proposed amended judgment.

25. **Appellate Court Orders**

If any reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the reviewing court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

26. **Avoidance of Undue Publicity.**

The Parties agree that this Settlement will remain confidential through the settlement approval process. This means that the Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the fact, amount, or terms of the settlement. If counsel for any party receives an inquiry about the Settlement from the media, counsel may respond only after the motion for preliminary approval has been filed and only by confirming the accurate terms of the Settlement. Class Counsel agrees not to identify Defendant in any way in any website, blog, article, or social media. Nothing in this provision shall prevent Defendant from making any required disclosure or Class Counsel from referencing the Settlement in adequacy filings. Neither Plaintiffs nor Class Counsel will publicize the Settlement in any way, except that nothing in this Settlement Agreement shall preclude Class Counsel from communicating with members of the Settlement Class about the Agreement or in submitting filings with the Court in furtherance of obtaining approval of the Settlement. Nor shall anything herein restrict Class Counsel from including publicly available information regarding this Settlement in future judicial submissions regarding Class Counsel's qualifications and experience or otherwise allowing the Judgment to become known to Class Members.

27. **Extensions of Time.**

Without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of the Settlement.

28. **Construction.**

This Settlement Agreement was entered into after substantial good faith, arms-length negotiations between the Parties' counsel. This Settlement Agreement has been entered into without any coercion and under no duress. The Parties acknowledge and agree that all Parties had an equal hand in drafting this Settlement Agreement so that it shall not be deemed to have been prepared or drafted by one party or another.

29. **Good Faith.**

The Parties to this Settlement Agreement agree that it reflects their good faith compromise of the claims raised in the Action, or those that could have been raised in the Action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel. The Parties to this Settlement Agreement pledge their good faith and fair dealing in supporting the approval of this Settlement by the Court, are represented by competent counsel, and have had an opportunity to consult with counsel prior to execution of this Settlement Agreement.

30. **Due Authority of Attorneys.**

Each of the attorneys executing this Settlement Agreement on behalf of one or more Parties hereto warrants and represents that he or she has been duly authorized and

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

empowered to execute this Settlement Agreement on behalf of each such respective Party and to bind them to the terms hereof.

31. **Entire Agreement.**

This Settlement Agreement (including all Exhibits hereto) sets forth the entire agreement of the Parties with respect to its subject matter and supersedes any and all other prior agreements and all negotiations leading up to the execution of this Settlement Agreement, whether oral or written, regarding the subjects covered herein. The Parties acknowledge that no representations, inducements, warranties, promises, or statements relating to the subjects covered herein, oral, or otherwise, have been made by any of the Parties which are not embodied or incorporated by reference herein.

32. **Use and Return of Class Data**

Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

33. **Modification or Amendment.**

This Settlement Agreement may not be modified or amended except in a writing signed by all signatories hereto or their successors in interest.

34. **Successors.**

This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors and assigns, and upon any corporation, partnership, or other entity into or with which any Party hereto may merge, combine or consolidate.

35. **Counterparts.**

This Settlement Agreement may be executed in counterparts, by facsimile or electronically, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

36. **Waivers.**

The waiver by any Party of any breach of this Settlement Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Settlement Agreement.

37. **Governing Law.**

This Settlement Agreement shall be governed by and construed, enforced, and administered in accordance with the internal laws of the State of California.

38. **Headings.**

The headings contained in this Settlement Agreement are for convenience and reference purposes only, and shall not be given weight in its construction.

39. **Continuing Jurisdiction.**

The Court in which the Parties will seek approval of the Settlement shall retain continuing jurisdiction over the Action to ensure the continuing implementation and enforcement of the provisions of this Settlement Agreement under applicable law, including, but not limited to, California Code of Civil Procedure section 664.6.

40. **Stay of Litigation**

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

///

///

///

///

///

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

41. **Notices.**

Any notices, requests, demands, or other communications required or permitted to be given pursuant to this Settlement Agreement, other than notice to the Class or Class Members, shall be in writing and mailed or emailed as follows: (1) to Class Representatives, the Class, and Class Counsel to the attention of Arrash Fattahi, Arman Salehi, Wilshire Law Firm, PLC, 660 S. Figueroa St., Sky Lobby Los Angeles, CA 90017, arrash.fattahi@wilshirelawfirm.com, arman.salehi@wilshirelawfirm.com; (2) to Defendant and Defense Counsel, to the attention of Michael Afar, Michael A. Sigall, David J. Kim, Seyfarth Shaw LLP, 2029 Century Park East, Suite 3500, Los Angeles, California 90067-3021, (310) 277-7200, mafar@seyfarth.com, msigall@seyfarth.com, dakim@seyfarth.com or any alternative address provided.

IN WITNESS WHEREOF, this Settlement Agreement has been duly executed by and on behalf of the Parties, as follows:

Dated: 2/12/2026 By: DocuSigned by: 643EE2C86C754E1...
Andrew Martinez

Dated: 2/17/2026 By: Signed by: Aaron Fowler 3B6081FBDAD7484...
Aaron Fowler

Dated: 3/18/2026 By: Signed by: Michael Thompson 972F3A1A94B5411...
For Automatic Bar Controls, Inc.

Dated: 2/18/2026 By:
Arrash T. Fattahi
Arman A. Salehi
Counsel for Plaintiffs

Dated: 3/11/2026 By: DocuSigned by: Michael Afar 1B8E85B395EF4B2...
Michael Afar
Michael A. Sigall
David J. Kim
Counsel for Defendant

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

EXHIBIT A

NOTICE OF SETTLEMENT OF CLASS ACTION AND FINAL APPROVAL HEARING

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

***Andrew Martinez, et al. v. Automatic Bar Controls, Inc.*; Solano County Superior Court Case Number CU24-06154**

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Automatic Bar Controls, Inc. ("Defendant") for alleged wage and hour violations under the California Labor Code. The Action was filed by former employees, Andrew Martinez and Aaron Fowler ("Plaintiffs") and seeks (1) monetary relief for a class of hourly employees ("Class Members") who worked for Defendant during the Class Period (from August 15, 2020 to November 1, 2025); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for Defendant during the PAGA Period (August 21, 2023 to November 1, 2025) ("Aggrieved Employees").

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

> Based on Defendant's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be $ _____ (less withholding) and your Individual PAGA Payment is estimated to be $ _____** . The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)
>
> The above estimates are based on Defendant's records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully 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 Plaintiffs and

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing**. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.

(2) **Opt-Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant to the extent otherwise permitted by law, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You don't have to do anything to participate in the Settlement.	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You can opt out of the class settlement but not the PAGA settlement. **The Opt-Out Deadline is** _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members can object to the Class Settlement.	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You

The Objection Deadline is _____.	are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You can participate in the Final Approval Hearing.	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You can challenge the calculation of your workweek / pay periods. **Written challenges must be submitted by _____.**	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay minimum wages, overtime, failing to authorize and permit rest periods or pay rest period premiums, failing to provide meal periods or pay meal period premiums, failing to reimburse employees for reasonable expenses, failing to provide complete and accurate wage statements, waiting time penalties, failure to timely pay wages, and violations of California's Unfair Competition Law, Business & Professions Code section 17200. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action: Arrash T. Fattahi and Arman A. Salehi of Wilshire Law Firm, PLC ("Class Counsel.")

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff are correct on the merits.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator and negotiated extensively between Class Counsel and Defendant's counsel in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

a. Defendant Will Pay $285,000 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 30 days after the Effective Date of the Agreement as defined therein.

b. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

1. Up to 35% of the Gross Settlement (currently estimated to be $99,750.00) to Class Counsel for attorneys' fees and up to $25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

2. Up to a $10,000.00 Class Representative Award to each of the two Class Representatives ($20,000.00 total) for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.

3. Up to $4,490.00 to the Administrator for services administering the Settlement.

4. Up to $10,000.00 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

c. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

d. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to penalties and interest ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

e. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

f. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant to the extent otherwise permitted by law.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

g. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

h. Administrator. The Court has appointed a neutral company, APEX Class Action Administration (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

i. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

j. The Participating Class Members will be bound by the following release:

Each Participating Class Member and each of their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians will release the Released Parties from any and all claims, rights, demands, charges, complaints, causes of action, obligations, or liability of any and every kind or nature, contingent or accrued, and irrespective of theory of recovery, that arose during the Class Period and which were or could have been brought based on the facts or claims alleged in any version of the complaints filed in the Action or enumerated in Plaintiffs' letters to the LWDA requesting authorization to be deputized as private attorney generals for the purposes of pursuing a PAGA claim (the "LWDA Letter"). The released claims means any and all claims arising during the Class Period that were pled or could have been pled based on the factual allegations in the Operative Complaint, including, but

not limited to, any claims for failure to pay wages, including minimum wages and overtime and including but not limited to wages due based on alleged time rounding and/or off-the-clock work, failure to pay wages (including overtime wages) at the regular rate of pay, failure to provide meal periods, failure to authorize and permit rest periods, short/late meal and rest periods, failure to relieve employees of all duties during meal and/or rest periods, failure to pay for time worked off the clock during meal periods, failure to properly compensate meal or rest break premiums at the regular rate of pay, failure to furnish accurate wage statements, failure to timely pay wages during employment, failure to reimburse for all necessary expenses, failure to timely pay wages at separation, as well as claims derivative and/or related to these claims, liquidated damages, conversion of wages, claims under California Labor Code §§ 201-204, 218.5, 218.6, 226, 226.7, 510, 512, 1174, 1194, 1194.2, 1197, 1198, 2802, claims under the applicable IWC Wage Order, and claims arising under Business and Professions Code section 17200 arising from the Labor Code violations released herein. Participating Class Members shall further waive their right to pursue individual lawsuits as to any of the claims released herein against the Released Parties to the extent such claims accrued during the Class Period.

k. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases is as follows:

As to claims for civil or statutory penalties for violation of PAGA, the State of California, all Aggrieved Employees including Plaintiffs shall release the Released Parties for all claims for penalties under PAGA during the PAGA Period that were or could have been alleged in the Action based on the facts or claims alleged in any version of the Complaint and/or the LWDA Letter irrespective of the underlying theory of recovery supporting the claim for PAGA penalties. The release of claims shall include a Civil Code Section 1542 release as to the released claims only.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

a. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

b. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $3,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

c. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

a. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

b. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Martinez v. Automatic Bar Controls, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least _____ days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website (url) or the Court's website (url).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is _____**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Martinez v. Automatic Bar Controls, Inc.* and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 3 of the Solano County Superior Court, located at 580 Texas Street, Fairfield, California 94533. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via _____. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

Docusign Envelope ID: 300FC38E-1E63-4546-8157-92F27EECEFC2

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (_____) and entering the Case Number for the Action, Case No. CU24-06154. You can also make an appointment to personally review court documents in the Clerk's Office at the Old Solano Courthouse by calling (707) 207-7330.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Arrash T. Fattahi
Arman A. Salehi
Wilshire Law Firm, PLC
660 Figueroa Street, Sky Lobby
Los Angeles, CA 90017
Telephone: (213) 784-3830
arrash.fattahi@wilshirelawfirm.com
arman.salehi@wilshirelawfirm.com

Settlement Administrator:

…

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 4

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Mon 4/6/2026 4:42 PM
To Theresa Chan <theresa.chan@wilshirelawfirm.com>

04/06/2026 04:42:33 PM

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

Item submitted: Proposed Settlement

On 04/06/2026 04:42:33 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1046797-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Ctheresa.chan%40wilshirelawfirm.com%7Cef29bddbdf1544191bbf08de94363986%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639111157780180333%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=ex3NVjaSDkWXTIqOLS3PlHluS0vzfHeMleDeaOnhi44%3D&reserved=0

EXHIBIT 5

Quotation Request:

Arman A. Salehi
Wilshire Law Firm, PLC
arman.salehi@wilshirelawfirm.com
800.926.9799

Case Name: Martinez v. Automatic Bar Controls
Date: Thursday, January 15, 2026
RFP Number: 15180023

Prepared By:

Sean Hartranft
Apex Class Action LLC
Sean@apexclassaction.com
949.878.3676

Settlement Specifications	
Estimated Class Size:	**90**
Certified Language Translation:	**No**
Static Settlement Website	**Yes**
Percentage of Undeliverable Mail	**20%**

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	$125.00	1	$125.00
Data Analyst	Per Hour	$150.00	1	$150.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of $150/hr.				
			Sub Total:	$275.00
Mailing of Class Notice				
Form Set Up	Per Hour	$120.00	1	$120.00
Print & Mail Class Notice	Per Piece	$1.50	90	$135.00
USPS First Class Postage	Per Piece	$0.78	90	$70.20
Remail Undeliverable Mail (Skip-Trace)	Per Piece	$2.25	18	$40.50
Receive and Process Undeliverable Mail	Per Hour	$75.00	0	$0.00
Process Class Member Correspondence via mail, e-mail & fax	Per Hour	$75.00	1	$75.00
NCOA Address Update (USPS)	Static Rate	$40.00	1	$40.00
			Sub Total:	$480.70
Project Management				
Project Management	Per Hour	$150.00	2	$300.00
Project Coordinator	Per Hour	$90.00	1	$90.00
Data Analyst and Reporting	Per Hour	$140.00	1	$140.00
			Sub Total:	$530.00

APEX
CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	$33.85	1	$33.85
Settlement Website: Static Apex URL	Static Rate	$500.00	1	$500.00
Settlement Status Reports	Static Rate	$750.00	1	Waived
			Sub Total:	$533.85
Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	$120.00	1	$120.00
Account Management and Reconciliation	Per Hour	$140.00	2	$280.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	$1.50	90	$135.00
USPS First Class Postage	Per Piece	$0.78	90	$70.20
Remail Distribution to Updated Address (Skip Trace)	Per Piece	$2.25	9	$20.25
Individual Income Tax Preparation & Reporting	Per Hour	$100.00	3	$300.00
QSF Income Tax Reporting (per calendar year)	Per Year	$1,000.00	1	$1,000.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	$270.00	1	$270.00
			Sub Total:	$2,195.45
Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	$135.00	1	$135.00
Project Management Reconciliation	Per Hour	$100.00	1	$100.00
Declarations	Per Hour	$120.00	2	$240.00
			Sub Total:	$475.00

WILL NOT EXCEED: $4,490.00

Thank you for your business!

APEX
CLASS ACTION ADMINISTRATION

Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. Services: Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. Payment Terms: As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. Incurred Expenses: In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. Invoicing: Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. Case Duration: The duration of these Terms and Conditions, except for the data storage obligations, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. Termination of Services: Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (I) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. Independent Contractor: As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. Limitation of Liability: The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. Indemnification: The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. Confidentiality: Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Apex may derive financial benefits from financial institutions in connection with the deposit and investment of funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

14. COMPLETE AGREEMENT. These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. Force Majeure: In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. Severability: This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. Nonwaiver: This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

EXHIBIT 6

ELM Solutions

2025 Real Rate Report® powered by LegalVIEW® DynamicInsights

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

Wolters Kluwer

Wolters Kluwer

Report Editor

Jennifer McIver
Director, Legal Operations and Industry Insights
Wolters Kluwer ELM Solutions

Lead Data Analysts

Anand Kumar Pathinettam Padian
Software and Data Engineer
Wolters Kluwer ELM Solutions

Farhan Shaikh
Data Scientist
Wolters Kluwer ELM Solutions

ELM Solutions Creative

David Andrews
Senior Graphic Designer
Wolters Kluwer ELM Solutions

Contributing Analysts and Authors

Haemi Jung
Strategic Business Intelligence Manager
Wolters Kluwer ELM Solutions

Manish Sharma
Director, Business Analysis
Wolters Kluwer ELM Solutions

Karen Sekley-Dandrea
Director, Marketing
Wolters Kluwer ELM Solutions

Mat Greener
Project & Program Management Director
Wolters Kluwer ELM Solutions

Executive Sponsor

Brian Jorgenson
Vice President, Product Management
Wolters Kluwer ELM Solutions

©2004 - 2025 Wolters Kluwer ELM Solutions. All rights reserved. This material may not be reproduced, displayed, modified, or distributed in any form without the express prior written permission of the copyright holders. To request permission, please contact:

Wolters Kluwer ELM Solutions
2929 Allen Pkwy Ste 3300
Houston, TX 77019 United States
ATTN: Marketing
ELMSolutionsSales@wolterskluwer.com

LEGAL CAVEAT

Wolters Kluwer ELM Solutions has worked to ensure the accuracy of the information in this report powered by LegalVIEW DynamicInsights; however, we cannot guarantee accuracy in all cases. Neither this report nor LegalVIEW DynamicInsights constitute legal, accounting, or professional advice and should not be used as such. This material should not be construed as a substitute for professional advice based on specific facts or circumstances. ELM Solutions is not responsible for any claims or losses arising from reliance on the information or recommendations included in this solution. View terms of use.

Table of Contents - 2025 Real Rate Report

A Letter to Our Readers • 4

Real Rate Report Overview • 5

Section I: High-Level Data Cuts • 9

- 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 • 71

- 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
- Insurance
- Technology and Telecommunications

Section III: Practice Area Analysis • 98

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

Section IV: In-Depth Analysis for Select US Cities • 201

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

Section V: International Analysis • 226

Section VI: Matter Staffing Analysis • 255

Appendix: Data Methodology • 259

NOTE:
You may experience an issue that can sometimes occur in PDF viewer. Thin lines (like table borders) may appear to "disappear" or look broken when zoomed out in a PDF viewer. This is usually a display/rendering issue rather than a problem with the actual content of the PDF.

Solution:
- Open the PDF in Acrobat and go to Edit > Preferences > Page Display.
- Uncheck Enhance thin lines (if it's checked).
- Restart Acrobat and reopen the PDF.

A Letter to Our Readers

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

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

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

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

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

Sincerely,

Brian Jorgenson
Vice President, Product Management
Wolters Kluwer ELM Solutions

Real Rate Report Overview

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

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

What's different with DynamicInsights?

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

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

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

2025 Real Rate Report use considerations

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

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

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

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

Examples of data to consider when reviewing rates:

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

Real Rate Report Overview

Understanding key statistical terms

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

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

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

See clearly. Spend wisely.

Step into the future of legal spend management with responsibly developed AI-powered solutions.

Our innovative Total Spend Management approach leverages AI-powered capabilities to empower intelligent workflows and improved outcomes.

- Up to 10% savings on legal spend
- Up to 20% improvement in billing guideline compliance
- Increased efficiencies free up time for more value-add work

Wolters Kluwer

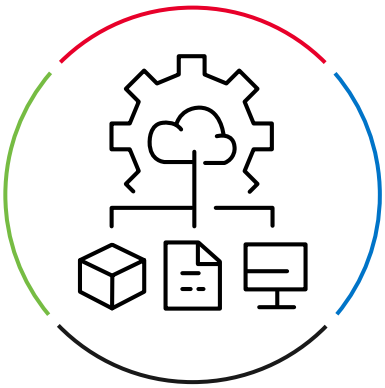
www.wolterskluwer.com

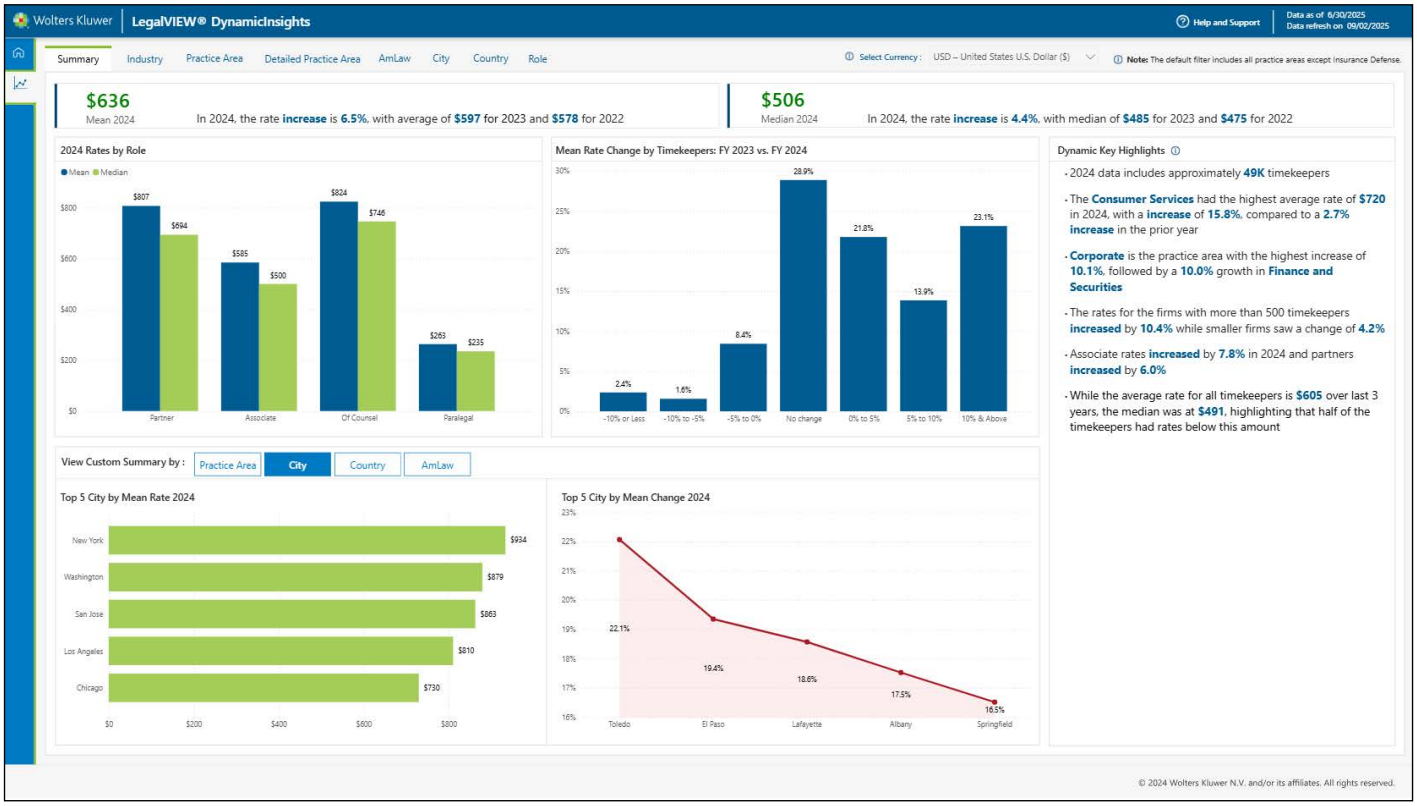
LegalVIEW® DynamicInsights

Legal rates keep climbing and 2026 will be no exception. Stay ahead with award-winning insights designed to give your team the edge in every negotiation.

Data that wins awards...and rate negotiations

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





Wolters Kluwer

Section I: High-Level Data Cuts

All data and analysis based on data collected thru Q2 2025

Section I: High-Level Data Cuts

Cities
By Matter Type

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

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2025	2024	2023
San Francisco CA	**Litigation**	Partner	106	$400	$718	$1,378	$908	$819	$803
		Associate	80	$385	$666	$875	$683	$652	$614
	Non-Litigation	Partner	132	$445	$689	$1,249	$856	$868	$788
		Associate	97	$335	$550	$922	$640	$664	$593
San Jose CA	**Litigation**	Partner	23	$650	$800	$1,250	$998	$1,024	$1,011
		Associate	20	$625	$815	$1,030	$852	$802	$721
	Non-Litigation	Partner	33	$745	$950	$1,266	$1,033	$1,104	$1,108
		Associate	27	$527	$610	$966	$718	$709	$701
Seattle WA	**Litigation**	Partner	57	$520	$902	$925	$790	$719	$628
		Associate	29	$425	$653	$700	$586	$518	$475
	Non-Litigation	Partner	119	$402	$615	$925	$694	$635	$652
		Associate	79	$307	$445	$676	$496	$484	$467

Section II: Industry Analysis

All data and analysis based on data collected thru Q2 2025

Section II: Industry Analysis

Consumer Services

By Detailed Practice Area and Matter Type

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

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

EXHIBIT 7

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.

00:00:00

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

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

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

Documents

Trustee's Objection

Related Articles

Overworked Big Law Can't Find Enough Lawyers With Demand Surging	Dec. 9, 2021, 3:00 AM
Never Underestimate Big Law's Ability to Raise Billing Rates	Aug. 12, 2021, 3:00 AM

Law Firms

Simpson Thacher
Hogan Lovells
Jones Day
Skadden
Sidley Austin
Quinn Emanuel
Cravath Swaine & Moore
Latham & Watkins
Kirkland & Ellis
Boies Schiller Flexner

Topics

expert fees
compensation of bankruptcy attorney
acquisitions
U.S. trustees
financial markets
client-paid legal fees
data breaches

Companies

Johnson & Johnson
Thomson Reuters Corp

© 2022 The Bureau of National Affairs, Inc. All Rights Reserved