John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Arrash T. Fattahi (SBN 333676)
arrash.fattahi@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com
Arman A. Salehi (SBN 351112)
arman.salehi@wilshirelawfirm.com
**WILSHIRE LAW FIRM, PLC**
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

*Attorneys for Plaintiff*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF LOS ANGELES**

| | |
|---|---|
| ANIAH ROJAS, individually, and on behalf of the State of California and other aggrieved persons,<br><br>Plaintiff,<br><br>v.<br><br>VILLA DE ANZA HOLDINGS, LLC, a California limited liability company; VILLA DE ANZA LAND HOLDINGS, LLC, a California limited liability company; VILLA DE ANZA PROPERTY HOLDINGS, LLC, a California limited liability company; and DOES 1 through 10, inclusive,<br><br>Defendants. | Case No.: 24STCV30576<br><br>*Assigned for all purposes to:*<br>*Hon. William F. Highberger*<br>*Dept. 10*<br><br>**DECLARATION OF ARRASH T. FATTAHI IN SUPPORT OF PLAINTIFF'S MOTION TO APPROVE PAGA SETTLEMENT**<br><br>PAGA APPROVAL HEARING<br>Date: April 24, 2026<br>Time: 2:00 p.m.<br>Dept: 10 |

# 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 plaintiff Aniah Rojas ("Plaintiff"). 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.

2. This declaration is submitted in support of Plaintiff's Motion to Approve PAGA Settlement.

## Background

3. Defendant Villa de Anza Holdings, LLC ("Defendant," and collectively with Plaintiff, the "Parties") operate assisted senior living facilities in California. Plaintiff worked for Defendant in California as an hourly-paid, non-exempt employee from approximately June 2023 through approximately July 2024.

4. Plaintiff's Private Attorneys General Act ("PAGA") claims stem from Defendant's failure to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide meal periods, failure to authorize and permit rest periods, failure to pay all earned wages twice per month, failure to maintain accurate records of hours worked and meal periods, failure to timely pay all wages at termination, failure to furnish accurate wage statements, failure to indemnify for necessary expenditures, and failure to produce requested employment records.

5. On September 3, 2024, Plaintiff filed a 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; (8) failure to produce requested employment records; and (9) unfair business practices. On October 9, 2024, Plaintiff filed a First Amended Class Action Complaint, adding a tenth cause of action for violation of

California Equal Pay Act. On September 16, 2024, Plaintiff provided notice to the California Labor & Workforce Development Agency ("LWDA") and Defendant of the violations described above, as required by Labor Code § 2699.3(a)(1). A true and correct copy of Plaintiff's PAGA notice, is attached hereto as **Exhibit 1.** Pursuant to Labor Code § 2699.3(a)(2)(A), the LWDA had 65 calendar days to notify Plaintiff and Defendant whether it intended to investigate the alleged violations. However, the LWDA did not do so.

6. On November 20, 2024, Plaintiff filed a PAGA Representative Action Complaint against Defendant for civil penalties under PAGA (the "Action" or "Operative Complaint"). The Class Action will be dismissed without prejudice before the hearing on the Motion to Approve PAGA Settlement leaving only the Operative Complaint.

**Discovery and Investigation**

7. After Plaintiff filed her complaint, the Parties engaged in extensive settlement discussions. To facilitate settlement, Defendant provided Plaintiff with timekeeping and payroll data for a sampling of the aggrieved employees, and the applicable policies in effect during the relevant time period. Thereafter, the Parties engaged in extensive discussions about the factual and legal strengths (and weaknesses) of the claims and defenses.

8. On October 2, 2025, the Parties and their counsel participated in private mediation with Hon. Amy D. Hogue (Ret.). 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 or its position through trial and appeal if a settlement had not been reached.

9. Ultimately, after an all-day mediation, the Parties agreed to settle the PAGA claim for $107,500.00, which includes any person employed by Defendant in California and classified as a non-exempt or hourly-paid employee who worked for Defendant during the PAGA Period (September 16, 2023, to the Effective Date). There are approximately 196 aggrieved employees covered by the settlement. A true and correct copy of the Settlement executed by the Parties, is attached hereto as **Exhibit 2.** Plaintiff submitted the Settlement to

the LWDA on March 19, 2026, pursuant to Labor Code § 2699(s)(2). A true and correct copy of the submission confirmation my office received after submitting the Settlement to the LWDA is attached hereto as **Exhibit 3**. Additionally, attached as **Exhibit 4** is the Settlement Notice that will be sent to the aggrieved employees with payment after the Court enters a Judgment on its Order Approving the PAGA Settlement.

10. Before the Settlement, Plaintiff's counsel conducted an investigation into the claims alleged by Plaintiff, conducted legal research, and engaged in informal discovery. Based upon the information obtained through discovery, Plaintiff's counsel was able to act intelligently and effectively in negotiating the proposed Settlement.

**Assessment of Amount in Controversy and Risks of Continued Litigation**

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

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

13. My expert determined that there were 3,078 pay periods during the relevant time period which presented issues with regard to unpaid wages, meal period violations, rest period violations, and unreimbursed business expenses. Applying the $100 "initial violation" penalty for each of these pay periods, Defendant's potential PAGA exposure is $307,800.00 (based on 3,078 pay periods). However, Plaintiff discounted this maximum exposure by 60% to account for Defendant's contention that the underlying allegations lacked merit, Defendant's largely compliant policies, Defendant's issuance of meal period premiums to aggrieved employees, Defendant's implementation of meal period waivers throughout the liability period, the relatively modest violation rate for meal periods (7.4%), the risk of not prevailing on the merits, and the Court's discretion in reducing penalties. The estimated realistic total potential recovery is therefore $123,120.00 ($307,800.00 x 40%).

14. The proposed Settlement of $107,500.00 therefore represents approximately 87.3% of Plaintiff reasonably forecasted total recovery ($107,500.00 / $123,120.00). In this case, continued litigation would delay payment to the LWDA and the aggrieved employees as they await trial and, potentially, appellate proceedings. Furthermore, while Plaintiff is confident in the merits of the case, a legitimate controversy exists as to each of the predicate Labor Code violations. The possibility that the Court finds no liability at the PAGA bench trial is also a risk. In sum, when the risks of litigation, the burdens of proof necessary to establish liability, and the probability of appeal of a favorable judgment are balanced against the merits of Plaintiff's claims, it is clear the settlement amount is fair. Further, because of the proposed Settlement, the aggrieved employees will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

15. If the Court approves the terms of the Settlement, each aggrieved employee's

payment will average approximately $70.05 and approximately $25,497.07[1] will go to the LWDA. In reality, some employees will likely receive more, and others may receive less depending on the length of their employment with Defendant.

**PAGA Representative Service Award**

16. The Settlement provides for a service award to Plaintiff in an amount not to exceed $7,500.00. The requested service award is intended to recognize: (1) the substantial time and effort that Plaintiff has expended on behalf of the State and aggrieved employees; (2) the risks faced by Plaintiff as a result of bringing this action; (3) the fact that Plaintiff put the interests of the State of California and other aggrieved employees ahead of her own; and (4) the substantial benefit conferred upon the State and the aggrieved employees as a result of Plaintiff's actions.

17. Plaintiff has spent numerous hours performing tasks for this case, including, but not limited to, the following: consulting with counsel over the telephone; searching for and producing relevant documents; reviewing documents produced by Defendant and settlement documents; keeping informed of the developments in the case; and participating in decisions concerning the case, including mediation and settlement. As a result of her efforts, the LWDA and about 196 aggrieved employees will receive compensation for civil penalties for underpaid wages and other wage and hour violations.

18. Plaintiff put herself at significant risk in pursuing this action on behalf of the State, as serving as Plaintiff in a representative action could affect her prospects for future employment. Plaintiff also placed herself at substantial risk because, if Defendant were to prevail in this action, Plaintiff could be liable for Defendant's costs and attorneys' fees.

19. In short, this action would not have been possible without the aid of Plaintiff, who put her own time and effort into this litigation, sacrificed the value of her individual claims by entering into a general release of all known and unknown claims, and placed herself at risk for the sake of the State and the aggrieved employees.

[1] The Net Settlement Amount is: $107,500.00 minus $35,833.33 for attorneys' fees, minus $20,490.41 for litigation expenses, minus $7,500.00 for Plaintiff's service award, and minus $4,450.00 in administration costs. This leaves $39,226.26, 65% of which will be paid to the LWDA ($25,497.07), and 35% of which will be paid to the aggrieved employees ($13,729.19).

**Attorneys' Fees And Costs**

20. The Settlement provides for a payment of attorneys' fees in the amount of $35,833.33 and up to $25,000.00 in costs to Plaintiff's counsel. As of the filing date, Plaintiff counsel's total lodestar is $67,610.00, which is based upon 89.9 hours of attorney time at customary hourly rates. In addition, Plaintiff's counsel incurred $20,490.41 in litigation costs, which is inclusive of $300.00 in anticipated legal costs after the filing of this Motion. Plaintiff's counsel was required to expend the funds prosecuting this case to a successful resolution on, among other things, court filing fees, document service, mediator cost, and consultation fee. Because these costs are reasonable, Plaintiff's counsel respectfully requests that the Court approve the payment. Under these circumstances, Plaintiff's total lodestar exceeds their fees request, resulting in a negative multiplier. Thus, Plaintiff's request for $35,833.33 in attorneys' fees and $20,490.41 in costs is reasonable under the lodestar method.

21. The efforts expended by Plaintiff's counsel to achieve this excellent result include, but are not limited to, the following: interviews with Plaintiff and review of documents provided by Plaintiff and Defendant; preparing and revising the complaint; filing of the PAGA complaint; investigating and researching the claims; analyzing the timekeeping and payroll records produced by Defendant in advance of mediation; preparing a mediation brief; participating in mediation; drafting, negotiating, and revising the Settlement Agreement and Settlement Notice; communicating with the proposed Settlement Administrator; and drafting this Motion and supporting papers.

22. The regular and customary practice at Wilshire Law Firm, PLC is for all attorneys to maintain contemporaneous time records setting forth the amount of time spent (rounded to the nearest 0.1 hour) on each task in each case, with explanatory descriptions of each task performed. My colleagues and I followed this practice throughout this litigation. To calculate my firm's lodestar for this case, I reviewed the time records and exercised discretion in eliminating excessive entries. Using these time records, my office derived the following summary chart of timekeeping activities of the attorneys working on this case:

///

| Attorney | Hours | Rate | Lodestar |
|---|---|---|---|
| John G. Yslas | 4.8 | $1,500.00 | $7,200.00 |
| Arrash T. Fattahi | 37.4 | $850.00 | $31,790.00 |
| Lisa B. Iturriaga | 10.0 | $600.00 | $6,000.00 |
| Arman A. Salehi | 37.7 | $600.00 | $22,620.00 |
| **Total:** | | | $67,610.00 |

23. There are additional hours from attorneys that are no longer with Wilshire Law Firm, PLC, that were devoted to this litigation that are not reflected in Plaintiff counsel's request for attorneys' fees.

24. Plaintiff's counsel is willing to provide complete, detailed billing records in the event the Court requests them but would request the opportunity to redact attorney-client privileged information and any other privileged information.

25. Additional time will be required by Plaintiff's counsel to monitor the settlement and respond to inquiries and oversee administration of the settlement and distribution of the fund. I estimate that my office will commit no less than ten hours to those tasks which are not accounted for in the hours reflected above.

26. As of the drafting of this Motion, my office has incurred $20,190.41 in expenses litigating this action. These expenses were reasonably necessary to the litigation and were actually incurred by my office. They should be reimbursed in full, up to the maximum amount allowed in the Settlement Agreement. Attached as **Exhibit 5** to this declaration is a breakdown of costs incurred by my office. Additionally, we anticipate incurring $300.00 in anticipated future costs for filing fees and service fees, and request reimbursement of such as well.

**Plaintiff's Counsel's Experience**

27. 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.

28. 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.

29. 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.

30. 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.

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

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

33. My current contingent billing rate of $850.00 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 Superior Court, Case No. RG21096357; Motion for Final Approval granted on January 31, 2023.

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

c. *Reyes v. Everytable, PBC, et al.*, Los Angeles County Superior Court, Case No.

21STCV35987; Motion for Final Approval granted on May 3, 2023.

d. *Ortiz v. Tara Materials, Inc.*, San Diego County Superior Court, 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 Superior Court, 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 Superior Court, 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 Superior Court, Case No. 21CECG03817; Motion for Final Approval granted on August 21, 2023.

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

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

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

k. *Lupercio v. Western CNC, Inc.*, San Diego County Superior Court, 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 Superior Court, Case No. CIVSB2124721; Motion for Final Approval granted on February 1, 2024.

m. *Cuadras, et al. v. Guinn Corporation*, Kern County Superior Court, 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 Superior Court, Case No. CIVSB2213347; Motion for Final Approval granted on April 2,

2024.

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

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

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

r. *Arce v. Sammy's Woodfired Pizza*, San Diego County Superior Court, 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 Superior Court, Case No. 22CV000862; Motion for Final Approval granted on January 23, 2025.

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

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

v. *Peterson v. PJ Printers*, Orange County Superior Court, 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 Superior Court, Case No. 30-2021-01222330-CU-OE-CTL; Motion for Final Approval granted on April 25, 2025.

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

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

z. *Martinez v. Corticare, Inc.*, San Diego County Superior Court, Case No. 37-2023-00055906-CU-OE-CTL; Motion for Final Approval granted on November 21, 2025.

34. John G. Yslas is a Senior Partner at Wilshire Law Firm, PLC. He graduated from the University of California, Santa Barbara with High Honors in 1991 with Bachelor of Arts degrees in Psychology. He received his Juris Doctor from UCLA Law School in 1996.

35. Upon graduating from law school in 1996, Mr. Yslas worked for a boutique law firm practicing general litigation which included employment law matters. Since 2000 (that is, the last 25 years) his practice has been exclusively focused on labor and employment matters including handling wage and hour class, collective and representative actions (including the California Private Attorneys General Act, or "PAGA"), including in the international law firms of Morgan, Lewis & Bockius LLP (where he was a senior associate), Foley & Lardner LLP (where he was a partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright LLP (where he was a partner) and Seyfarth Shaw LLP (where he was a partner and member of the Wage and Hour Practice Group). During his time at these law firms, Mr. Yslas was the primary attorney or took a major leading role in defending employers on numerous wage and hour class, collective and representative actions.

36. In late June 2022 Mr. Yslas left Seyfarth Shaw LLP and joined his current firm, Wilshire Law Firm, PLC, to represent plaintiff employees. He has been and is handling many wage and hour class and representative actions litigating such matters on behalf of plaintiff employees in numerous Superior Courts and District Courts. From matters representing both plaintiffs and defendants, he has successfully mediated the resolution of many wage and hour class, collective, and representative actions. Just since starting to settle cases in late April 2023, Mr. Yslas has already successfully mediated matters in which he has been counsel or co-counsel resulting in **well over $230 million** in settlements and verdicts which are in the process of being finalized, and with numerous upcoming mediations scheduled. In those and numerous other matters, he has managed and assisted with the litigation and settlement of many wage and hour PAGA and class actions. In those actions, he performed similar tasks as those performed in the course of prosecuting this action. Indeed, Mr. Yslas recently tried and prevailed in achieving a jury verdict in a wage and

hour class action in the matter of *Aguilar-Flores v. Javier's – CC LLC*, Los Angeles County Superior Court, Case No. 19STCV36438 (settled after verdict).

37. Mr. Yslas has received numerous awards for his legal work. For example, from 2015 to 2018, he was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters). He has also served on numerous prominent boards and in other leadership positions, including serving as Southern California Regional President for the Hispanic National Bar Association and on the board of directors of the Mexican American Bar Foundation. Mr. Yslas also previously served on the 5-member Los Angeles Civil Service Commission, which generally oversees the personnel decisions for the City of Los Angeles.

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

39. Lisa B. Iturriaga is a Settlement Attorney at Wilshire Law Firm, PLC. She was admitted to practice law in the State of California in 2021. Ms. Iturriaga graduated from University of South Florida with a Bachelor of Science in Finance and a Bachelor of Arts in Marketing. She received her Juris Doctor from Chapman University Dale E. Fowler School of Law. Since graduating, her practice has been in insurance defense (previously) and employment law (currently). Since 2023, she has exclusively worked on Plaintiff-side wage and hour cases. Ms. Iturriaga is also a member of the California Employment Lawyers Association (CELA). Ms. Iturriaga's current hourly rate is $600.00.

40. Arman A. Salehi is a third-year 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, his practice has mainly been focused on wage and hour class action litigation. Mr. Salehi's current hourly rate is $600.00.

41. 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 33 of the report reflects rates drawn from 565 partners and 518 associates practicing in Los Angeles. In that dataset, the third-quartile hourly rate is $1,365 for partners and $982 for associates. These figures confirm that Los Angeles is a high-rate legal market and that experienced litigation partners routinely bill in excess of $1,300 per hour based on rates actually paid by clients in 2024. The Real Rate Report further shows that in the San Diego market, partners with 21 or more years of experience command third-quartile billing rates of approximately $1,334 per hour, confirming that highly experienced litigators in major California markets routinely bill at the upper end of the rate spectrum.

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

hourly rate for highly experienced counsel in a representative employment action falls within the upper range of prevailing market rates rather than outside it.

42. 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**.

43. Plaintiff's counsel elected to bear the contingency risk of this litigation for the benefit of the aggrieved employees, as well as for the State of California (who elected not to take the case after receiving the PAGA notice).

44. The risk to my office has been very significant, particularly if we would not be successful in pursuing this action. In that case, we would have been left with no compensation for all the time taken in litigating this case. Indeed, we have taken on a number of class action cases that have resulted in thousands of attorney hours being expended and ultimately having certification denied or the defendant company going bankrupt. 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.

45. In the high-risk, high-cost practice of class action and PAGA litigation, Wilshire Law Firm, PLC has endured financial losses in several of its cases. I believe that the particular risk of taking on this high-cost, high-risk case supports the lodestar calculation in this matter.

46. Because most individuals cannot afford to pay for representation in litigation on an hourly basis, Wilshire Law Firm, PLC represents all of 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, we receive less than the amount of attorneys' fees negotiated with defendant. It is therefore essential that we recover our requested fees when we settle cases if we

are to remain in practice so as to be able to continue representing other individuals in civil rights employment disputes.

47. I am informed and believe that the efforts of my office have resulted in substantial benefits to the aggrieved employees and the State of California. Through the efforts of my office and Plaintiff in this case, a fair and reasonable resolution has been reached. I am informed and believe that, without the efforts of my office, the Labor Code and Wage Order violations alleged in the complaint would have gone completely unremedied. The attorneys' fees award provided for in the settlement is therefore reasonable given the result achieved.

48. The Parties propose using ILYM Group, Inc. ("ILYM") to administer the Settlement. The Settlement Administrator Costs in the amount of $4,450.00 are reasonable, given the tasks to be performed by the Settlement Administrator, including, but not limited to, the following duties: mailing and re-mailing (if necessary) checks to approximately 196 aggrieved employees and the LWDA; establishing a gross settlement fund; preparing and submitting to aggrieved employees and government entities all appropriate tax filings and forms; distributing the attorneys' fees and costs; keeping the Parties timely apprised of the performance of all obligations under the Settlement; and voiding uncashed or undeliverable checks to issue those funds to the California Controller's Unclaimed Property Fund. Plaintiff respectfully requests that the Court approve the requested costs. A true and correct copy of ILYM's estimate for administration costs is attached to this declaration as **Exhibit 8**.

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 March 20, 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
wilshirelawfirm.com

Sean Paisan, Esq.
Justin F. Marquez, Esq.
John Yslas, Esq.

Stephanie Mazepa, Esq.
Nicol Hajjar, Esq.
Thiago Coelho, Esq.

September 16, 2024

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

Adam Zenou
Villa De Anza Holdings, LLC
8202 Florence Avenue, Suite 200
Downey, CA 90240
**(*Via Certified Mail, Return Receipt Requested*)**
**#9489 0090 0027 6637 7142 55**

Re: ***Aniah Ann Rojas v. Villa De Anza Holdings, LLC***
**Notice of Labor Code Violations and PAGA Penalties**

To Whom It May Concern:

Please be advised that my office has been retained by Aniah Ann Rojas ("Ms. Rojas" or "Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Employee's former employer, Villa De Anza Holdings, LLC ("Villa De Anza" or "Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and potentially all of Employers' Aggrieved Employees.

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

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

**Ms. Rojas' Employment with Villa De Anza**

Villa De Anza owns and operates assisted living facilities. Employee worked as a personal care assistant. Employee's primary job function was to assist with activities of residents' daily living, including administration of medications, providing safe transfers, and culinary services. In performing Employee's duties, Employee was regularly required to perform work (off-the-clock), without compensation. Due to understaffing and high workloads, Employee was also frequently deprived of an opportunity to take legally compliant meal and rest breaks. Employers failed to provide Employee and other Aggrieved Employees with the meal and rest break premiums as required by the Labor Code. Additionally, Employee necessarily incurred business-related expenses, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

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

Ms. Rojas is a resident of Perris, California who worked for Employers in Riverside County, California as an hourly-paid, non-exempt employee from approximately June 2023 to approximately July 2024.

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

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

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

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

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

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

Throughout the statutory period, Employers failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at time required Employee and the Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers failed to properly calculate Employee's regular rate of pay when paying overtime, by failing to include all compensation in Employee's overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

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

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

**Failure to Provide Meal Periods**

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Despite these legal requirements, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

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

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

**Failure to Authorize and Permit Rest Periods**

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

entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

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

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

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

**Failure to Pay All Earned Wages Twice Per Month**

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

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

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

**Failure to Maintain Accurate Records of Hours Worked and Meal Periods**

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

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

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

**Failure to Timely Pay All Wages at Termination**

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

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

voluntary authorization.

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

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

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

**Failure to Furnish Accurate Itemized Wage Statements**

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

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

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

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars

($4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

**Failure to Indemnify for Necessary Expenditures**

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

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

**Failure to Produce Requested Employment Records**

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

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

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

**Recordkeeping Requirement Violations**

California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by Employees and Aggrieved

Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

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

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

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

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

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

**Action for Civil Penalties Under PAGA**

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

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing at times to authorize and permit

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

rest periods;

4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records;

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

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

Sincerely,

WILSHIRE LAW FIRM

John G. Yslas, Esq.

# EXHIBIT 2

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

# PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Aniah Rojas ("Plaintiff") on the one hand, and defendant Villa de Anza Holdings, LLC ("VDA") on the other hand. The Agreement refers to Plaintiff and VDA collectively as "Parties," or individually as "Party."

## 1. DEFINITIONS.

1.1. "Action" means the Plaintiff's representative lawsuit alleging PAGA violations against Villa de Anza Holdings, LLC, Villa de Anza Land Holdings, LLC, and Villa de Anza Property Holdings, LLC captioned *Rojas v. Villa de Anza Holdings, LLC, et al.,* Case No. 24STCV30576, pending in the Superior Court of the State of California, County of Los Angeles.

1.2. "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee" means a person employed by VDA in California and classified as a non-exempt or hourly-paid employee who worked for VDA during the PAGA Period.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in VDA's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current 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 Aggrieved Employees.

1.7. "Class Action" means the Plaintiff's representative lawsuit alleging wage and hour violations against Villa de Anza Holdings, LLC, Villa de Anza Land Holdings, LLC, and Villa de Anza Property Holdings, LLC captioned *Rojas v. Villa de Anza Holdings, LLC, et al.,* Case No. 24STCV22374, pending in the Superior Court of the State of California, County of Los Angeles.

1.8. "Court" means the Superior Court of California, County of Los Angeles.

1.9. "Defense Counsel" means Karen Luh and Nicole Kardassakis of Jackson Lewis P.C.

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

1.10. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment assuming no appeal is filed; or (b) if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for writs of certiorari) resulting in final judicial approval of the Settlement.

1.11. "Gross Settlement Amount" means $107,500.00 which is the total amount VDA agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Representative Service Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.12. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.13. "Judgment" means the judgment entered by the Court based upon the Approval Order.

1.14. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (m).

1.15. "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (m).

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

1.17. "PAGA Counsel" means Arrash T. Fattahi and Arman A. Salehi of Wilshire Law Firm, PLC, the attorneys representing the Plaintiff in the Action.

1.18. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.19. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for VDA for at least one day during the PAGA Period.

1.20. "PAGA Period" means the period from September 16, 2023, to the Effective Date.

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

1.21. "PAGA Representative Service Award" means the payment to the PAGA Representative for initiating the Action and providing services in support of the Action.

1.22. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.23. "PAGA Notice" means Plaintiff's September 16, 2024, letter to VDA and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees and the 65% to LWDA in settlement of PAGA claims.

1.25. "Plaintiff" means Aniah Rojas, the named plaintiff in the Action and the Class Action.

1.26. "Approval Order" means the Court Order Granting Approval of PAGA Settlement.

1.27. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.28. "Released Parties" means: Villa de Anza Holdings, LLC, Villa de Anza Land Holdings, LLC, Villa de Anza Property Holdings, LLC, and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.29. "Settlement" means the disposition of the Action and the Class Action effected by this Agreement and the Judgment.

## 2. RECITALS.

2.1. On September 3, 2024, Plaintiff filed a Class Action Complaint against VDA 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; (8) failure to produce requested employment records; and (9) unfair business practices. On October 9, 2024, Plaintiff filed a First Amended Class Action Complaint, adding a tenth cause of action for violation of California Equal Pay Act (the "Class Action Complaint"). On November 20, 2024, Plaintiff filed a separate PAGA Representative Action Complaint against VDA for civil penalties under PAGA (the "Action"). The Class Action will be dismissed without prejudice within 15 days of the full execution of this Agreement. The PAGA Action is the operative complaint in the Action (the "Operative Complaint.")

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

VDA denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

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

2.3. On October 2, 2025, the Parties participated in an all-day mediation presided over by Hon. Amy D. Hogue (Ret.), which led to this Agreement to settle the Action and the Class Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, (1) the Parties' Agreements to Arbitrate Claims & Class Action Waiver; and (2) a sampling of time and pay records for the Aggrieved Employees, as well as documents that described VDA's policies and procedures during the PAGA Period.

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

## 3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, VDA promises to pay $107,500.00 and no more as the Gross Settlement Amount. VDA has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to VDA.

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

3.2.1. To PAGA Representative Plaintiff: PAGA Representative Service Award to Plaintiff of not more than $7,500.00 (in addition to any Individual PAGA Payment the Plaintiff is entitled to receive as an Aggrieved Employee). VDA will not oppose Plaintiff's request for a PAGA Representative Service Award that does not exceed this amount. If the Court approves a PAGA Representative Service Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the PAGA Representative Service Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the PAGA Representative Service Award.

3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount, which is currently estimated to be $35,833.33 and PAGA Counsel Litigation Expenses Payment of not more than $25,000.00. VDA will

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds VDA harmless, and indemnifies VDA, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $4,450.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than $4,450.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount to be paid from the Net Settlement Amount, with 65% allocated to the LWDA PAGA Payment and 35% allocated to the Individual PAGA Payments.

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

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

## 4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, VDA estimates there are 196 Aggrieved Employees who worked a total of 3,078 PAGA Pay Periods as of the date of mediation.

4.2. Aggrieved Employee Data. Within 14 days of the Approval Order, VDA will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. VDA has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which VDA must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. VDA shall fund the Gross Settlement Amount within 30 days after the Effective Date by transmitting the funds to the Administrator.

4.4. Payments from the Gross Settlement Amount. Within 14 days after VDA fully funds the Gross Settlement Amount, the Administrator will mail checks for all PAGA Representative Service Award, Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment, and PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

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

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees 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 Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

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

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

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

**5. RELEASES OF CLAIMS**. Effective on the date when VDA fully funds the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. Plaintiff and Plaintiff's respective former and present spouses, representatives, agents, attorneys (including PAGA counsel), heirs, administrators, successors, and assigns generally release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Class Action Complaint or Operative Complaint, and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Class Action Complaint, Operative Complaint or Plaintiff's PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

Thus, notwithstanding the provisions of Section 1542, Plaintiff expressly acknowledges this Agreement is intended to include in its effect all claims Plaintiff does not know or suspect to exist in the Plaintiff's favor at the time of signing this Agreement, and that this Agreement contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff has read this Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Agreement and specifically about the waiver of Section 1542, and that Plaintiff understands this Agreement and the Section 1542 waiver, and so Plaintiff freely and knowingly enters into this Agreement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

Plaintiff now knows or believes to be true regarding the matters released or described in this Agreement, and even so Plaintiff agrees that the releases and agreements contained in this Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Agreement or with regard to any facts now unknown to Plaintiff relating thereto.

5.2. Release by Aggrieved Employees: To the fullest extent permitted by law, the State of California and all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all causes of action and claims for civil penalties under the California Private Attorneys General Act of 2004 that were alleged or reasonably could have been alleged based on the facts and legal theories contained in the Class Action Complaint, the Operative Complaint and the PAGA Notice, arising during the PAGA Period, including claims for civil penalties based on the following: (1) all claims for failure to pay minimum wages; (2) all claims for failure to pay overtime wages; (3) all claims for failure to provide meal periods; (4) all claims for failure to provide rest periods; (5) all claims for failure to timely pay wages during employment; (6) all claims for failure to maintain accurate records; (7) all claims for failure to timely pay final wages; (8) all claims for failure to furnish accurate wage statements; (9) all claims for failure to indemnify employees for expenditures; and (10) all claims for failure to produce requested employment records ("Released PAGA Claims").

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

**6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (s)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel's firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (s)(1)), this Agreement (Labor Code section 2699, subd. (s)(2)); (iv) a redlined version of the parties' Agreement

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

## 7. SETTLEMENT ADMINISTRATION.

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

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

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

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

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

8. **AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, VDA estimates that, as of the date of the mediation, there are approximately 196 Aggrieved Employees who worked 3,078 Pay Periods during the PAGA Period. Should the actual number of pay periods during PAGA Period increase beyond 10%, VDA shall have the option to either: (1) de-escalate the settlement so that the PAGA Period ends on the date the PAGA Pay Period count totals no more than 3,386; or (2) increase the Maximum Settlement Amount by the percentage increase in the number of pay periods above 10% (e.g., if the number of pay periods increases by 11%, the Maximum Settlement Amount will increase by 1%).

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

9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel 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 another party 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, except as to matters that do not affect the amount of the Net Settlement Amount.

**10. ADDITIONAL PROVISIONS.**

10.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by VDA that any of the allegations in the Operative Complaint and Class Action Complaint have merit or that VDA has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that VDA's defenses in the Action or the Class Action have merit. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by VDA or the Released Parties of any such violations or failures to comply with any applicable law. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, VDA reserves all available defenses to the claims in the Action and the Class Action, and Plaintiff reserves the right to contest VDA's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action and the Class Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

enforce or effectuate the Settlement and this Agreement).

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

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

10.4. Confidentiality Prior to filing the Motion for Approval. Plaintiff, PAGA Counsel, VDA and Defense Counsel separately agree that, until the Motion for Approval of Settlement is filed, they and each of them will not disclose, disseminate or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, PAGA Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict PAGA Counsel's communications with Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to Aggrieved Employees.

10.5. Media or Press. The Parties and their counsel further 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 Agreement. PAGA Counsel further agrees not to use the Agreement or any of its terms for any marketing or promotional purposes. Further, PAGA Counsel will not include, reference or use the Agreement for any marketing or promotional purposes, or for attempting to influence business relationships at any Savant locations, either before or after the Motion for Approval is filed.

10.6. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Aggrieved Employee to object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict PAGA Counsel's ability to communicate with Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to Aggrieved Employees.

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

10.7. Agreement Contingent on Court Approval. This Agreement is contingent upon an order by the Court granting approval the Settlement, and that the LWDA does not intervene and object to the Settlement. In the event it becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties shall be restored to their respective positions in the Action and the Class Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders when denying approval; or (b) there are any terms and conditions in this Agreement specifically stated to survive the Agreement being voided or not approved, and which control in such an event.

10.8. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of (1) Judge Amy Hogue (Ret.), with costs to be borne equally between the Parties or (2) the Court for resolution.

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

10.10. No Tax Advice and Circular 230 Disclaimer. VDA makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and the Plaintiff and Aggrieved Employees are not relying on any statement, representation, or calculation by VDA or by the Administrator in this regard. Aggrieved Employees and PAGA Counsel understand and agree that they shall be responsible for the payment of all taxes and penalties assessed on the payments specified herein, and shall hold the Parties, PAGA Counsel and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

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

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

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

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

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

10.16. Non-Evidentiary Use. Whether or not the Effective Date occurs, neither this Agreement, nor any of its terms, nor the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to VDA or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by VDA or any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against VDA or any of the Released Parties in any further proceeding in the Action or the Class Action, except for the purposes of effectuating the Settlement pursuant to this Agreement or for VDA to

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

establish that an Aggrieved Employee has resolved any of their claims released through this Agreement.

10.17. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by VDA 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 Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from VDA unless, prior to the Administrator's payment of all Settlement Funds, VDA makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

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

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

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

To Plaintiff:

Arrash T .Fattahi
arrash.fattahi@wilshirelawfirm.com
Arman A. Salehi
arman.salehi@wilshirelawfirm.com
Wilshire Law Firm, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, CA 90017
Telephone: (213) 784-3830
Facsimile: (213) 381-9989

///

///

To VDA:

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

Karen Luh
karen.luh@jacksonlewis.com
Nicole R. Kardassakis
nicole.kardassakis@jacksonlewis.com
**JACKSON LEWIS, P.C.**
725 South Figueroa Street, Suite 2800
Los Angeles, California 90017
Telephone: (213) 630-8271

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

10.22. 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 California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

10.23. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way affect any other provision if Defense Counsel and PAGA Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

10.24. Dismissal of Additional Defendants. Within seven (7) calendar days of the full execution of this Agreement, Plaintiff will file Requests for Dismissal, without prejudice, as to Villa de Anza Land Holdings, LLC, and Villa de Anza Property Holdings, LLC.

Dated: 3/13/2026

DocuSigned by:
A9E6D6F3D86A4A6...
Aniah Rojas

Dated: _____

_____
By: _____
Title: _____
Villa de Anza Holdings, LLC

Docusign Envelope ID: CC439412-2879-4B90-8D14-5383BBB575C4

***APPROVED AS TO FORM:***

Dated: 3/13/2026

WILSHIRE LAW FIRM, PLC
Arrash T. Fattahi
Arman A. Salehi
Attorneys for Plaintiff

Dated: _____

JACKSON LEWIS P.C.
Karen Luh
Nicole Kardassakis

Attorneys for Defendant Villa de Anza Holdings, LLC

4915-5173-1350, v. 1

Karen Luh
karen.luh@jacksonlewis.com
Nicole R. Kardassakis
nicole.kardassakis@jacksonlewis.com
**JACKSON LEWIS, P.C.**
725 South Figueroa Street, Suite 2800
Los Angeles, California 90017
Telephone: (213) 630-8271

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

10.22. 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 California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

10.23. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way affect any other provision if Defense Counsel and PAGA Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

10.24. Dismissal of Additional Defendants. Within seven (7) calendar days of the full execution of this Agreement, Plaintiff will file Requests for Dismissal, without prejudice, as to Villa de Anza Land Holdings, LLC, and Villa de Anza Property Holdings, LLC.

Dated: _____

Aniah Rojas

Dated: 03/13/2026

Adam Zenou (Mar 13, 2026 20:04:33 EDT)

By: Adam Zenou
Title: CEO
Villa de Anza Holdings, LLC

***APPROVED AS TO FORM:***

Dated: _____

WILSHIRE LAW FIRM, PLC
Arrash T. Fattahi
Arman A. Salehi
Attorneys for Plaintiff

Dated: 03/13/2026

JACKSON LEWIS P.C.
Karen Luh
Nicole Kardassakis

Attorneys for Defendant Villa de Anza Holdings, LLC

# Rojas - PAGA Settlement Agreement (Final) - Unsigned

Final Audit Report 2026-03-14

| | |
|---|---|
| Created: | 2026-03-13 |
| By: | Katie So (Katie.So@jacksonlewis.com) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAA1GOc0XWPiZFbAdtnxS9My8DbFa-baclb |

## "Rojas - PAGA Settlement Agreement (Final) - Unsigned" History

Document created by Katie So (Katie.So@jacksonlewis.com)
2026-03-13 - 9:43:05 PM GMT

Document emailed to adamz@savantseniorliving.com for signature
2026-03-13 - 9:44:05 PM GMT

Email viewed by adamz@savantseniorliving.com
2026-03-14 - 0:04:01 AM GMT

Signer adamz@savantseniorliving.com entered name at signing as Adam Zenou
2026-03-14 - 0:04:31 AM GMT

Document e-signed by Adam Zenou (adamz@savantseniorliving.com)
Signature Date: 2026-03-14 - 0:04:33 AM GMT - Time Source: server

Agreement completed.
2026-03-14 - 0:04:33 AM GMT

# EXHIBIT 3

Outlook

## Thank you for your Proposed Settlement Submission

**From** no-reply@formassembly.com <no-reply@formassembly.com>
**Date** Thu 3/19/2026 4:01 PM
**To** Letty Zepeda <letty.zepeda@wilshirelawfirm.com>

03/19/2026 04:01:37 PM

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

Item submitted: Proposed Settlement

On 03/19/2026 04:01:37 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1050835-24

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%7Cletty.zepeda%40wilshirelawfirm.com%7Cb8d2afd547b84406e49b08de860b83bc%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639095581175550045%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=2kHlMmiJuRkn28%2FNFbItcuENaIRDTVcElsFo1hBGdDI%3D&reserved=0

# EXHIBIT 4

[Administrator's Letterhead]

To: «FirstName» «LastName»
«Address1» «Address2»
«City» «State» «Zip»

**Enclosed please find a check in the amount of [INDIVIDUAL SETTLEMENT SHARE].**

You are receiving this check because of a lawsuit brought by ANIAH ROJAS ("Plaintiff") against Defendant VILLA DE ANZA HOLDINGS, LLC ("Defendant") for civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698 et seq. ("PAGA"). The claim was filed in the Los Angeles County Superior Court under Case No. 24STCV30576 (the "Action").

Plaintiff's claim against Defendant is for civil penalties pursuant to the PAGA, a law that allows Plaintiff to attempt to stand in the shoes of the government and to seek penalties on the government's behalf and on behalf of those employees who Plaintiff claims were "aggrieved" by Defendant's alleged unlawful conduct. Specifically, Plaintiff alleges that Defendant failed to comply with wage-and-hour laws as to non-exempt employees who worked for Defendant.

Defendant strongly denies these claims and maintains that it fully complied with all applicable wage-and-hour laws. Nevertheless, to avoid further costs and uncertainty from further litigation, Defendant agreed to settle the matter. The settlement covers Defendant, in addition to Villa de Anza Land Holdings, LLC, Villa de Anza Property Holdings, LLC, and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates (all of whom are referred to here as the "Released Parties"). The Court has approved the settlement and release of claims described below. By settling this claim, Defendant and the Released Parties are not admitting they have done anything wrong, and they deny that they owe any penalties to the government or to you.

On [insert date], the settlement was approved by the Court. A portion of the settlement is being paid to the government and a portion is being paid to each non-exempt employee who worked for Defendant in California from September 16, 2023 to _____ (the "Aggrieved Employees"). You are receiving a portion of the settlement because Defendant's records indicate that you worked for Defendant from [insert date range].

**You will not be retaliated against for cashing the check. It is entirely up to you if you cash your check or not. Checks that are not cashed within 180 days of issuance will be sent to the California State Controller's Unclaimed Property Fund in your name. Regardless of what you do with the check issued to you, by law and Court order, you have released the Released Parties from the released claims described below.**

One hundred percent (100%) of your payment under this settlement will be considered penalties and will be reported to the IRS and state tax authorities as non-wage income.

This settlement subjects you and other Aggrieved Employees, for the period spanning September 16, 2023 to _____, to the following release: To the fullest extent permitted by law, the State of California and all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all causes of action and claims for civil penalties under the California Private Attorneys General Act of 2004 that were alleged or reasonably could have been alleged based on the facts and legal theories contained in the Class Action Complaint, the Operative Complaint and the PAGA Notice, arising during the PAGA Period, including claims for civil penalties based on the following: (1) all claims for failure to pay minimum wages; (2) all claims for failure to pay overtime wages; (3) all claims for failure to provide meal periods; (4) all claims for failure to provide rest periods; (5) all claims for failure to timely pay wages during employment; (6) all claims for failure to maintain accurate records; (7) all claims for failure to timely pay final wages; (8) all claims for failure to furnish accurate wage statements; (9) all claims for failure to indemnify employees for expenditures; and (10) all claims for failure to produce requested employment records

**Do not call or write the Court or Office of the Clerk to ask questions about the settlement.**

**If you have any questions, you may call or write [insert], at the following phone number or address: [insert address and telephone number for Administrator's contact person]**

# EXHIBIT 5

# Wilshire Law Firm, PLC

## Transaction Detail by Account

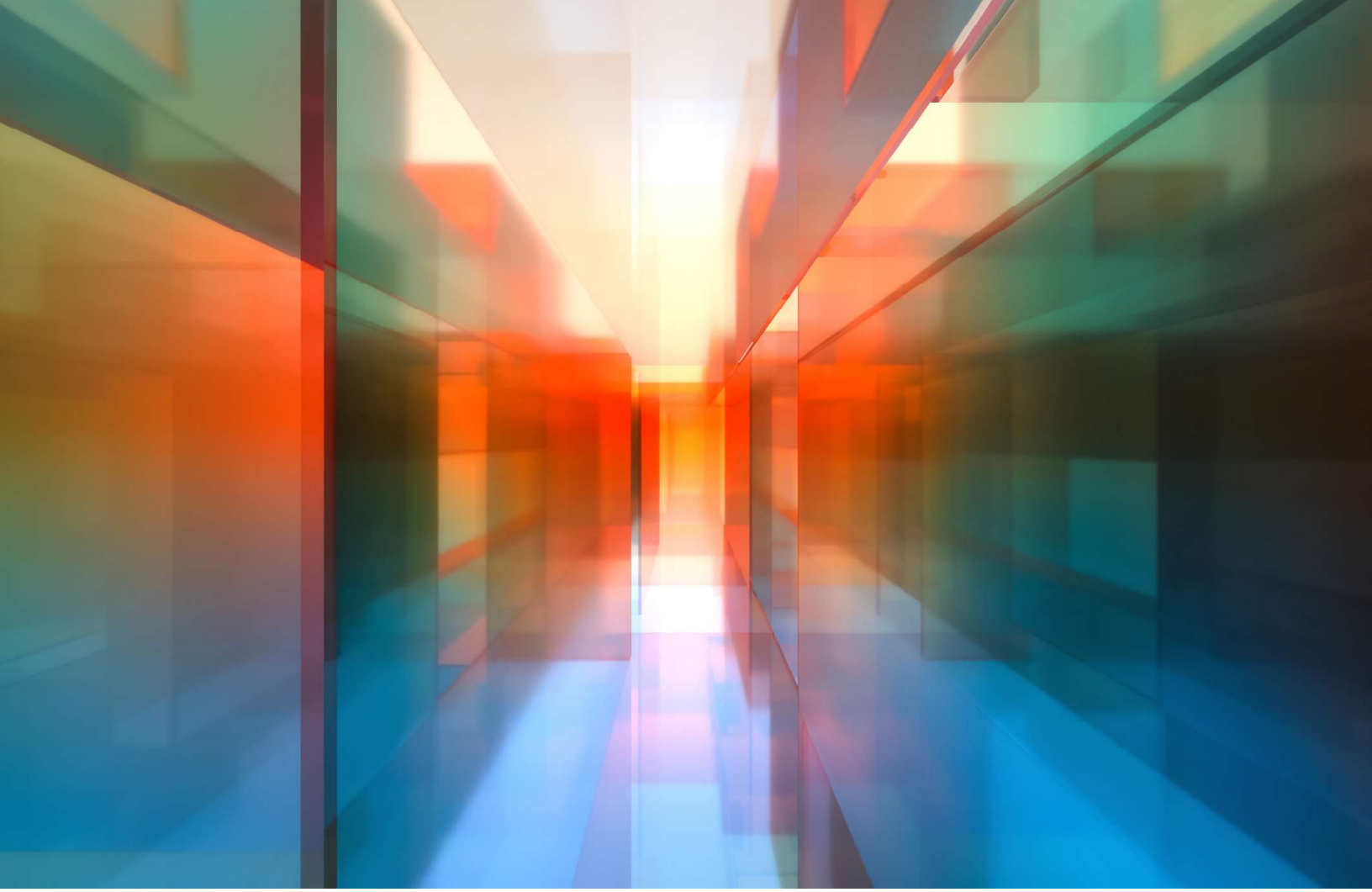
All Transactions

3/19/2026

Accrual Basis

| Type | Date | Num | Memo | Amount | Balance |
|---|---|---|---|---|---|
| **COS** | | | | | |
| **Legal Expenses Fees** | | | | | |
| | 9/16/2024 | | PAGA Fee | $75.00 | $75.00 |
| | 10/4/2024 | 850857807 | Legal Research | $436.50 | $436.50 |
| | 11/5/2024 | 851007765 | Legal Research | $432.24 | $432.24 |
| | 4/23/2025 | 851737233 | Legal Research | $43.31 | $43.31 |
| **Total LEGAL EXPENSES FEES** | | | | $987.05 | $987.05 |
| **Expert Fees** | | | | | |
| | 10/10/2025 | 16478 | Expert Fees | 5,737.50 | 5,737.50 |
| **Total EXPERT FEES** | | | | 5,737.50 | $6,724.55 |
| **Mediation Fees** | | | | | |
| | 3/14/2025 | PR54093 | Mediation Fee | $10,250.00 | $10,250.00 |
| **Total MEDIATION FEES** | | | | $10,250.00 | $16,974.55 |
| **Process Service Fees** | | | | | |
| | 7/3/2025 | CC073125TA-803 | Attorney Services | $23.44 | $23.44 |
| | 9/3/2024 | 23645040 | Attorney Services | $1,497.05 | $1,497.05 |
| | 9/11/2024 | 23677672 | Attorney Services | $123.54 | $123.54 |
| | 9/11/2024 | 23709685 | Attorney Services | $19.71 | $19.71 |
| | 9/12/2024 | 23677673 | Attorney Services | $77.21 | $77.21 |
| | 9/12/2024 | 23677674 | Attorney Services | $77.21 | $77.21 |
| | 9/13/2024 | 23724222 | Attorney Services | $19.71 | $19.71 |
| | 9/13/2024 | 23724272 | Attorney Services | $19.71 | $19.71 |
| | 10/1/2024 | 23829205 | Attorney Services | $19.77 | $19.77 |
| | 10/9/2024 | 23896781 | Attorney Services | $19.77 | $19.77 |
| | 10/11/2024 | 82799 | Attorney Services | $147.00 | $147.00 |
| | 10/11/2024 | 82800 | Attorney Services | $67.00 | $67.00 |
| | 10/14/2024 | 82852 | Attorney Services | $45.00 | $45.00 |
| | 11/21/2024 | 24193331 | Attorney Services | $21.37 | $21.37 |
| | 12/3/2024 | 24245239 | Attorney Services | $21.37 | $21.37 |
| | 12/3/2024 | 24245661 | Attorney Services | $21.37 | $21.37 |
| | 12/17/2024 | 24336214 | Attorney Services | $21.37 | $21.37 |
| | 2/4/2025 | 362383 | Attorney Services | $156.42 | $156.42 |
| | 2/5/2025 | 24658211 | Attorney Services | $23.44 | $23.44 |
| | 2/18/2025 | 24736929 | Attorney Services | $23.44 | $23.44 |
| | 3/13/2025 | 24922265 | Attorney Services | $23.44 | $23.44 |
| | 4/1/2025 | 374838 | Attorney Services | $61.00 | $61.00 |
| | 4/4/2025 | 388042 | Attorney Services | $55.00 | $55.00 |
| | 6/1/2025 | 399992 | Attorney Services | $49.00 | $49.00 |
| | 6/2/2025 | 412058 | Attorney Services | $49.00 | $49.00 |
| | 7/1/2025 | 424422 | Attorney Services | $49.00 | $49.00 |
| | 8/4/2025 | 436985 | Attorney Services | $55.00 | $55.00 |
| | 9/2/2025 | 449547 | Attorney Services | $49.00 | $49.00 |
| | 10/1/2025 | 462299 | Attorney Services | $49.00 | $49.00 |
| | 11/1/2025 | 852770892 | Attorney Services | $68.03 | $68.03 |
| | 11/3/2025 | 475256 | Attorney Services | $49.00 | $49.00 |
| | 12/1/2025 | 488123 | Attorney Services | $49.00 | $49.00 |
| | 1/2/2026 | 501101 | Attorney Services | $49.00 | $49.00 |
| | 2/1/2026 | 514368 | Attorney Services | $49.00 | $49.00 |
| | 3/2/2026 | 527702 | Attorney Services | $49.00 | $49.00 |
| **Total PROCESS SERVICE FEES** | | | | $3,197.37 | $20,171.92 |
| **Other Costs** | | | | | |
| | 7/8/2024 | E-3235030 | Docusign envelope | $1.89 | $1.89 |
| | 8/16/2024 | E-3223307 | Mailing | $8.16 | $8.16 |
| | 9/17/2024 | E-3228772 | Mailing | $8.44 | $8.44 |
| **Total OTHER COSTS** | | | | $18.49 | $20,190.41 |
| **TOTAL** | | | | | $20,190.41 |

# 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

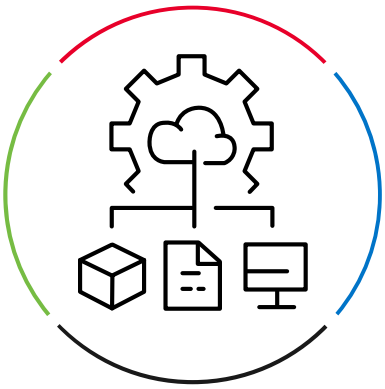
www.wolterskluwer.com

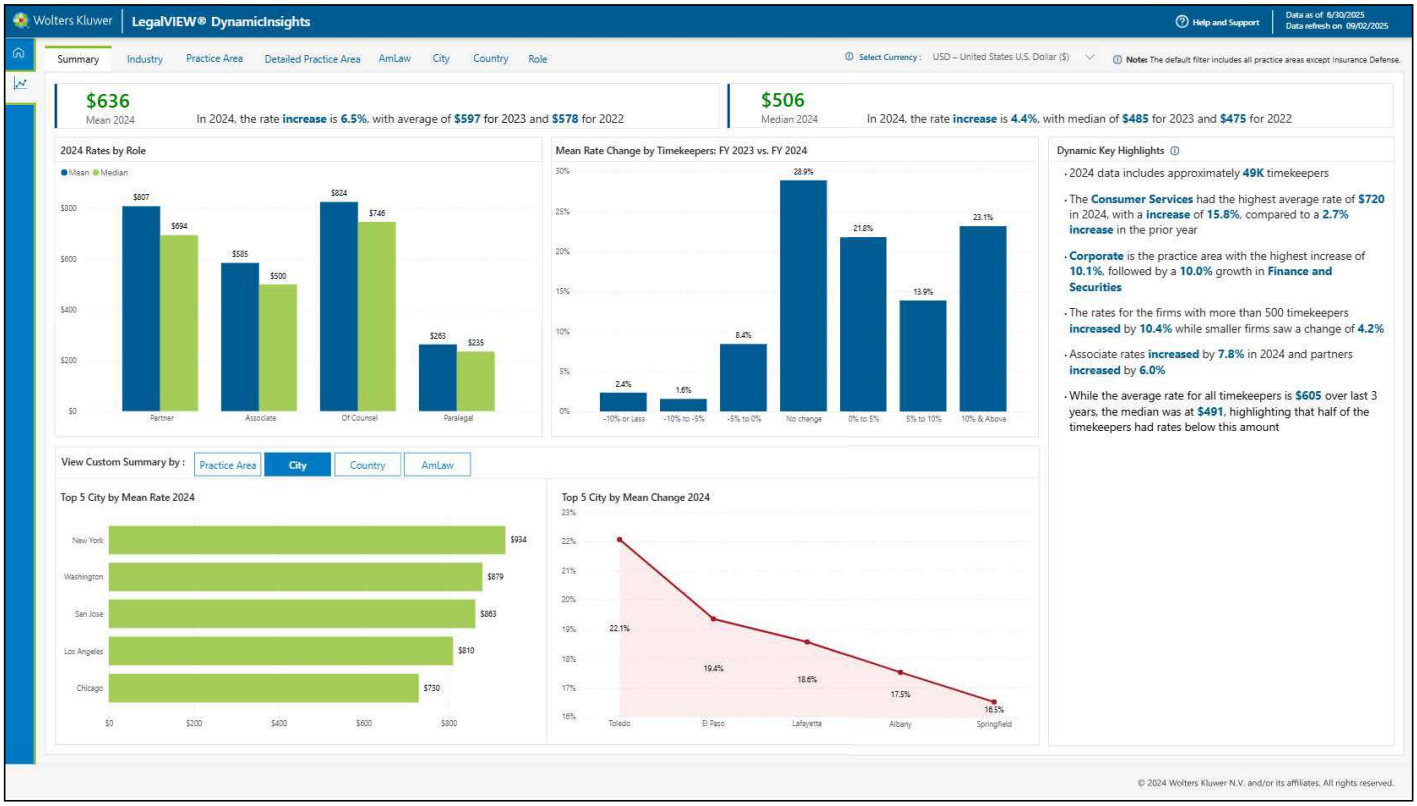
# LegalVIEW® DynamicInsights

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 Role

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

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

# Section I: High-Level Data Cuts

## Cities
By Years of Experience

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

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

# Section II: Industry Analysis

All data and analysis based on data collected thru Q2 2025

# Section II: Industry Analysis

## Consumer Services

By Detailed Practice Area and Matter Type

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

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

# EXHIBIT 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

# EXHIBIT 8