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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

ANTONIO HERNANDEZ, individually, and on behalf of all others similarly situated,

Plaintiff,

v.

FJCT ACQUISITION, LLC, a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. 24STCV31275

PAGA REPRESENTATIVE ACTION

Assigned for all purposes to:
Hon. Elaine Lu, Dept. 9

DECLARATION OF JESENIA A. MARTINEZ IN SUPPORT OF PLAINTIFF'S MOTION FOR APPROVAL OF PAGA SETTLEMENT

Complaint Filed:	November 25, 2024
FAC Filed:	March 25, 2025
Trial Date:	Not set

I, Jesenia A. Martinez, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California, United States Court of Appeals for the Ninth Circuit, the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California, and the United States District Court of the Eastern District of Michigan. I am a Senior Attorney at Wilshire Law Firm, PLC ("Wilshire"), counsel of record for Plaintiff Antonio Hernandez. 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. Attached hereto as **Exhibit 1** is a fully executed copy of the Settlement Agreement. All capitalized terms, unless stated otherwise, shall have the same meaning as defined in the Settlement Agreement.

3. The Settlement Agreement was uploaded to the California Labor & Workforce Development Agency (LWDA) via its public portal on October 24, 2025.

Background

4. The First Amended Complaint (FAC) is the operative complaint in the action (the "Operative Complaint").

5. On November 25, 2024, Mr. Hernandez provided notice to the LWDA and then-defendant Fletcher Jones Motor Cars, Inc. of the violations described above, as required by Labor Code section 2699.3, subdivision (a)(1). Thereafter, on December 18, 2024, Mr. Hernandez provided an amended notice to the LWDA that named and included the current Defendant, FJCT Acquisition, LLC ("Defendant"). Per Labor Code section 2699.3, subdivision (a)(2)(A), the LWDA had 65 calendar days to notify Mr. Hernandez and Defendant whether it intended to investigate the alleged violations. However, the LWDA did not do so.

Discovery and Investigation

6. After Mr. Hernandez filed his initial Complaint, the Parties engaged in extensive discussions regarding the merits of the claims and the discovery needed thereon if the parties were to engage in meaningful settlement discussions. On Mr. Hernandez's request, Defendant produced a sampling of employee timekeeping and payroll data as well as documents reflecting

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Defendant's policies, practices and procedures during the relevant time period. Thereafter, the Parties continued to engage in extensive discussions about the factual and legal strengths (and weaknesses) of the claims and defenses.

7. On July 1, 2025, the Parties and their counsel participated in private mediation with Tagore Subramaniam. 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 respective positions through trial and appeal if a settlement had not been reached.

8. Ultimately, after an all-day mediation presided over by Mr. Subramaniam, the Parties agreed to settle the PAGA claim for $180,000.00, which includes all persons within the State of California who are or were employed by Defendant as non-exempt or hourly paid employees during any portion of the PAGA Period. There are approximately 152 Aggrieved Employees covered by the Settlement.

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

Assessment of Amount in Controversy and Risks of Continued Litigation

10. Mr. Hernandez and my firm remain confident of the merits of Mr. Hernandez's claims.

a. With respect to the *meal period* allegation, Mr. Hernandez alleges that Defendant did not have meal periods in conformance with the law and failed to keep accurate records of meal periods. Although Defendant contends that this allegation is meritorious, there is risk with this underlying claim.

b. With respect to the *rest period* allegation, Mr. Hernandez contends that employees, including himself, were not provided with California-compliant rest periods, as employees were often cut short or otherwise interrupted. Again, despite Mr. Hernandez's contention that this allegation is credible, proving rest period allegations is particularly difficult

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because rest periods do not have to be recorded and Defendant can argue that Aggrieved Employees chose to voluntarily forego their rest periods.

c. With respect to the *unreimbursed business expenses* allegation, Mr. Hernandez alleges that Defendant required him and the other Aggrieved Employees to use personal cell phones without being reimbursed. Defendant disputes this claim based on the fact that it provided employees with all the necessary tools required for the performance of their duties and as such, any additional tools purchased by employees were not truly necessary.

d. With regard to Mr. Hernandez's *wage statement claim*, Defendant argues that the wage statements issued to employees meet the requirements of Labor Code section 226, subdivision (a). Defendant also maintains that any alleged wage statement violation could not be shown to be "knowing and intentional," and that Mr. Hernandez cannot show that he or any other employee "suffer[ed] injury" as a result of the alleged wage statement violations, as required by Labor Code section 226, subdivision (e) for the imposition of penalties.

11. Mr. Hernandez 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. 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 approval.

12. Mr. Hernandez's expert determined that there were 3,545 pay periods during the relevant time period (at the time of mediation) 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 $354,500.00 (based on 3,545 pay periods). However, Defendant's contention that the underlying allegations lacked merit led to Mr. Hernandez discounting this maximum exposure by 70% to account for the risk of not prevailing on the merits and the Court's discretion in reducing penalties, for a total of $106,350.00.

13. Mr. Hernandez's expert determined that there were 3,545 pay periods at issue (at the time of mediation) with regard to the wage statement violations claim. Because Mr.

Hernandez's wage statement theory of liability is predicated on Defendant's issuance of facially deficient wage statements—each of the wage statements issued would carry a potential PAGA penalty. Accordingly, Defendant's maximum exposure for its wage statement violations is \$361,750.00 (\$50 x 145 + \$100 x 3,545). However, based on Defendant's counterarguments and because the Court maintains discretion to reduce these penalties, Mr. Hernandez discounted that figure by 70% for a risk of not prevailing on the merits and to account for the Court's discretion to reduce the penalties (given the highly technical nature of the alleged violations), for a total of \$108,525.00.

14. Using these estimated figures, Mr. Hernandez predicted that the realistic total potential recovery for Aggrieved Employees and the LWDA would be approximately \$214,875.00. The proposed Settlement of \$180,000.00 therefore represents 84% of Mr. Hernandez's reasonably forecasted total recovery. In this case, continued litigation would delay payment to the LWDA and Aggrieved Employees as they await trial and, most likely, appellate proceedings. Furthermore, while Mr. Hernandez 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 Mr. Hernandez's claims, it is clear that the settlement amount is fair. Further, because of the proposed Settlement, Aggrieved Employees will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. Mr. Hernandez also recognizes that proving the amount of wages due to each employee would be an expensive, time-consuming, and uncertain proposition.

15. If the Court approves the terms of the Settlement, each Aggrieved Employees' payment will average approximately \$210.69 and approximately \$59,475.00 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.

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PAGA Representative Enhancement Payment

16. The Settlement provides for an Enhancement Payment to Mr. Hernandez of $10,000.00. The requested enhancement award is intended to recognize: (1) the substantial time and effort that Mr. Hernandez has expended on behalf of the State and Aggrieved Employees; (2) the risks faced by Mr. Hernandez as a result of bringing this action; (3) the fact that Mr. Hernandez put the interests of the State of California and other Aggrieved Employees ahead of his own; and (4) the substantial benefit conferred upon the State and the Aggrieved Employees as a result of Mr. Hernandez's actions.

17. Mr. Hernandez has spent numerous hours performing tasks for this case, including, but not limited to, the following: consulting with counsel in-person and 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 settlement. As a result of his efforts, the LWDA and about 152 Aggrieved Employees will receive compensation for civil penalties for underpaid wages and other wage-and-hour violations.

18. Mr. Hernandez put himself at significant risk in pursuing this action on behalf of the State, as serving as a plaintiff in a representative action could affect his prospects for future employment. He also placed himself at substantial risk because, if Defendant was to prevail in this action, Mr. Hernandez could be liable for Defendant's costs and attorneys' fees.

19. In short, this action would not have been possible without the aid of Mr. Hernandez, who put his own time and effort into this litigation, sacrificed the value of his individual claims by entering into a general release of all known and unknown claims, and placed himself at risk for the sake of the State and Aggrieved Employees.

Attorneys' Fees and Costs

20. The Settlement provides for a payment of attorneys' fees in the amount of $60,000.00 and up to $15,000 in costs. As of the filing date, Mr. Hernandez's counsel's total lodestar is $94,795.00, which is based upon 127.8 hours of attorney time at customary hourly rates. In addition, Mr. Hernandez's counsel incurred $11,863.24 in litigation costs.

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Mr. Hernandez's counsel was required to expend the funds prosecuting this case to a successful resolution on, among other things, court filing fees, document service, postage, and copying. Because these costs are reasonable, Mr. Hernandez's counsel respectfully requests that the Court approve the payment. Under these circumstances, Mr. Hernandez's counsel has a negative lodestar of 0.63. Thus, Mr. Hernandez's request for $60,000.00 in attorneys' fees and up to $15,000 in costs is reasonable under the lodestar method.

21. The efforts expended by Mr. Hernandez's counsel to achieve this excellent result include, but are not limited to, the following: interviews with Mr. Hernandez and review of documents provided by Mr. Hernandez and Defendant; preparing and revising the Complaint; filing of the PAGA Complaint, the First Amended 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; communicating with Defendant's counsel; communicating with the proposed Settlement Administrator; and drafting this Motion and supporting papers.

22. The regular and customary practice at Wilshire 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**
Thiago M. Coelho	27.3	$1,000.00	$27,300.00
Lauren M. Lendzion	7.8	$700.00	$5,460.00
Jesenia A. Martinez	35.6	$700.00	$24,920.00
Jesse S. Chen	57.1	$650.00	$37,115.00
Total: 127.8 hours			$94,795.00

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23. There are additional hours devoted by me (and by my colleagues) to this litigation that are not reflected in Mr. Hernandez's counsel's request for attorneys' fees.

24. Additional time will be required by Mr. Hernandez's counsel to monitor the Settlement and respond to inquiries and oversee administration of the Settlement and distribution of the fund.

25. I estimate that my office will commit no less than 10 hours to those tasks and have included those hours above.

26. As of the drafting of this Motion, my office has incurred $11,863.24 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. Attached hereto as **Exhibit 2** is a true and correct copy of a breakdown of costs incurred by my office. Additionally, we anticipate incurring $300.00 in anticipated future costs for filing fees, messenger costs, and copying costs following the Court's Order re: Plaintiff's Motion to Approve PAGA Settlement, and request reimbursement of such as well.

Counsel's Experience

27. Mr. Hernandez is represented by Wilshire. The attorneys at Wilshire performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment.

28. Wilshire 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 more than 100 attorneys and over 600 employees. The firm is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California, as well as engaging in consumer and class action matters throughout the United States.

29. Wilshire is qualified to handle this litigation because its attorneys are experienced in litigating Labor Code violations in both individual, class action, and representative action

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cases. Wilshire 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.

30. Mr. Hernandez's team at Wilshire is led by Partner Thiago M. Coelho, who led the team during the mediation and settlement negotiations in this matter. Wilshire Senior Attorney Lauren M. Lendzion and Associate Attorney Jesse S. Chen worked with me on this matter as well.

Thiago M. Coelho

a. Mr. Coelho graduated from the University of Central Florida and the University of Southern California, Gould School of Law. The National Trial Lawyers selected Mr. Coelho as a "Top 10 Data Privacy Trial Lawyer," "Top 25 Class Action Trial Lawyers," "Top 10 Wage and Hour Trial Lawyer," and a "Top 40 under 40" attorney. For 2020 and 2021, Mr. Coelho was selected and served as the President of the Data Privacy Trial Lawyers Association, and he is an active member of CAALA, CAOC's Data Breach Committee, and AAJ's Class Action Division. Mr. Coelho has been selected as a "Best Lawyer" by The Best Lawyers in America® and as a "Rising Star" by Super Lawyers. Further, Mr. Coelho has extensive experience litigating consumer class action and data privacy class actions, and he has litigated wage-and-hour class actions, including the following cases:

i. Mr. Coelho was part of the trial team in *Aguilar-Flores, et al. v. Javiuer's-CC, LLC*, No. 19STCV36438, a wage-and-hour state class action in Los Angeles County, where the team obtained a jury verdict of $6.316 million plus attorneys' fees and costs.

ii. Mr. Coelho served as lead counsel in *Suarez v. Bank of America, N.A.,* No. 18-cv-01202-LB, a wage-and-hour federal class action which resulted in a $1.5 million settlement.

iii. Mr. Coelho was lead counsel in *Moore v. Centrelake Medical Grp.* (2022) 83 Cal.App.5th 515, a data breach class action, where the Court of Appeal reversed the trial court's judgment sustaining the defendant's demurrer, in part, because the plaintiff's loss of benefit of the bargain was deemed a sufficient injury for UCL standing. (*Id.* at 527–30.)

iv. Mr. Coelho was also lead counsel in *Mier v. CVS Health* (9th Cir. July 8, 2023) No. 22-55665, 2023 WL 4837851, a consumer class action involving false advertising claims where the Ninth Circuit reversed the denial of class certification.

v. Mr. Coelho was also lead counsel in *Peters v. Apple, Inc.*, No. 18STCV21787, a consumer class action in Los Angeles County involving Apple Inc.'s alleged misrepresentations regarding its Family Sharing service, which resulted in a $25 million class settlement. For his work on *Peters v. Apple, Inc.,* Mr. Coelho was awarded the Daily Journal's California Lawyer Attorney of the Year ("Clay") Award.

vi. Mr. Coelho was also lead counsel in *Schumacher v. Bank of Hope,* No. 18STCV02066, a consumer class action in Los Angeles Couty which resulted in a $13.3 million settlement.

vii. Mr. Coelho served as an executive committee member in *Slate v. Dominion Dental Services,* No. 1:19-cv-01063, which resulted in a $4.7 million settlement.

viii. Mr. Coelho served as class counsel in *In re MCG Health Data Security Litigation,* Case No. 2:22-cv-0849-RSM-DWC, which resulted in a $8.8 million consumer class action settlement.

ix. Mr. Coelho served as class counsel in *Culp, et al., v. Fitzgibbon Hospital,* Case No. 23SA-CV00020, a data breach consolidated class action with a court-approved $650,000.00 settlement.

x. Mr. Coelho served as class counsel in *Mendoza v. Crystal Bay Casino, LLC,* Case No. 3:23-cv-00092-MMD-CLB (D. Nev. Filed

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Feb. 28, 2023); a data breach consolidated class action with a court-approved $675,000.00 settlement.

xi. Mr. Coelho served as settlement class counsel in *In re Wright & Filippis, LLC Data Security Breach Litig.,* No. 2:22-cv-12908-SFC, which resulted in a court approved $2.9 million settlement.

xii. Mr. Coelho is co-lead class counsel in *Lowrey, et al. v. Community Psychiatry Management, LLC,* No. 24STCV30135, a data breach class action in Los Angeles County that received preliminary approval of a $3.5 million settlement.

xiii. Mr. Coelho is lead class counsel in *Alcazar v. Fashion Nova, Inc.,* No. 4:20-cv-01434-JST (N.D. Cal.), an ADA class action with a pending settlement of $5.15 million.

b. Mr. Coelho has settled over 300 cases, including, but not limited to, wage-and-hour and consumer class action cases. His hourly rate is $1,000.00, which was approved in *Suarez v. Bank of America, N.A.* (N.D. Cal. Jan. 11, 2024), No. 18-cv-01202-LB, 2024 WL 150721, at *3 ("As for the lodestar cross-check, the billing rates are normal and customary for timekeepers with similar qualifications and experience in the relevant market.").

<u>Jesenia A. Martinez</u>

c. As a Senior Attorney at Wilshire Law Firm, PLC, my primary experience is in civil litigation and consumer class action lawsuits. Before joining Wilshire, I practiced with a boutique plaintiff-side litigation firm where I was named lead counsel in cases around the country. Some of my notable cases include securing class certification in *George v. Shamrock Saloon II, LLC* (S.D.N.Y.) No.1: 17-cv-06663-RA-HBP and obtaining a $12.3 million settlement in a consumer class action, *Kim v. Tinder, Inc., et al*. (C.D. Cal.) No. 2:18-cv-03093-JFW-AS. I joined Wilshire and assisted the team in *Peters v. Apple Inc.* No. 19STCV21787 to secure a $25 million consumer class action settlement and worked with Mr. Coelho on consumer, data breach, and ADA class action litigation around the country. At Wilshire, I continue to prosecute consumer cases, including violations of the ADA, violations of privacy

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rights, and other statutes for misleading and false advertising under the Consumer Legal Remedies Act and California's Unfair Competition Law. I graduated from Tufts University and Southwestern Law School. During law school, Ms. Martinez completed externships with Hon. Kim McLane Wardlaw at the United States Court of Appeals for the Ninth Circuit and with Hon. Dean D. Pregerson at the United States District Court for the Central District. Super Lawyers selected Ms. Martinez as a "Rising Star." I received the CLAY Award for my contributions on the *Peters* case. My hourly billing rate is $700.00.

Lauren M. Lendzion

d. Ms. Lendzion is a Senior Attorney who brings over 17 years of experience in class actions, consumer protection, antitrust, securities fraud, and mergers & acquisitions to Wilshire. She earned her Bachelor of Arts degree from the University of California, Santa Barbara, and her J.D. from Seattle University School of Law. Ms. Lendzion has played a pivotal role in landmark cases, including securing a historic $25 million settlement for Trump University students benefiting approximately 7,000 consumers. Another notable case is *Chabot v. Walgreens Boots Alliance, Inc*., where she helped secure a $192.5 million recovery for Rite Aid investors, marking the second largest securities recovery in Pennsylvania federal court history. Ms. Lendzion's hourly billing rate is $700.00.

Jesse S. Chen

e. Mr. Chen graduated in 2017 from Brandeis University, with honors, obtaining a B.A. in Politics and International and Global Studies. He received his J.D. from University of Southern California, Gould School of Law in 2020. Mr. Chen's practice has focused on complex consumer class actions, including in the areas of data breach and cybersecurity, in both state and federal courts across the country. His notable cases include securing a $14 million class settlement in a data breach class action, *Schumacher et al. v. Bank of Hope* (Los Angeles Superior Court), No. 18STCV02066, as well as a $25 million class settlement in a consumer class action against Apple, Inc. for its alleged misrepresentations regarding its Family Sharing service. *Peters v. Apple, Inc*. (Los Angeles Superior Court) Case

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No. 18STCV21787. Mr. Chen received the CLAY Award for his contributions on *Peters* case. Mr. Chen's hourly billing rate is $650.00.

31. Mr. Hernandez's counsel's current contingent hourly billing rates are consistent with actual billing rate for the practice area, experience, legal market, and accepted hourly rate. The reasonableness of my firm's hourly rates is also supported by several surveys of legal rates, including the following:

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

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

32. Mr. Hernandez's counsel elected to bear the contingency risk of this litigation for the benefit of Aggrieved Employees, as well as for the State of California (who elected not to take the case after receiving the PAGA notice).

33. The risk to my office has been very significant, particularly if we would not be successful in pursuing this class action. In that case, we would have been left with no compensation for all the time taken in litigating this case. 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

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precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

34. In the high-risk, high-cost practice of class action and PAGA litigation, Wilshire 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 an upward adjustment of the lodestar calculation.

35. Because most individuals cannot afford to pay for representation in litigation on an hourly basis, Wilshire represents all its employment law clients on a contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless we prevail at trial or successfully settle our clients' cases. Because Wilshire 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 to be able to continue representing other individuals in civil rights employment disputes.

36. I am informed and believe that the efforts of my office have resulted in substantial benefits to Aggrieved Employees and the State of California. Through the efforts of my office and Mr. Hernandez 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 FAC would have gone completely unremedied. The attorneys' fees award provided for in the Settlement is therefore reasonable given the result achieved.

37. The Parties propose using Phoenix Class Action Administration Solutions to administer the Settlement. The Settlement Administrator Costs in the amount of $3,500.00 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 152 Aggrieved Employees and the LWDA; establishing a Qualified Settlement Fund; preparing and submitting to PAGA Employees and government entities all appropriate tax filings and forms; distributing the PAGA Representative Service Payment and attorneys' fees and costs; keeping the Parties timely apprised of the performance of all obligations under the Agreement;

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and voiding uncashed or undeliverable checks to issue those funds to the California Controller's Unclaimed Property Fund. Mr. Hernandez respectfully requests that the Court approve the requested costs. Attached hereto as **Exhibit 5** is a true and correct copy of the estimate for administration costs.

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

Executed on October 24, 2025, in Los Angeles, California.

____

Jesenia A. Martinez

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EXHIBIT 1

PRIVATE ATTORNEYS GENERAL ACT (PAGA) SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act (PAGA) Settlement Agreement and Release ("Agreement") is made by and between Plaintiff ANTONIO HERNANDEZ ("PLAINTIFF"), individually and on behalf of the state of California and similarly situated employees (as defined below) and Defendant FJCT Acquisition, LLC dba Fletcher Jones Toyota of Carson ("FJCT"). The AGREEMENT refers to PLAINTIFF and FJCT collectively as "PARTIES," or individually as a "PARTY."

1. DEFINITIONS.

1.1 **"ACTION"** means PLAINTIFF's PAGA lawsuit alleging wage and hour violations against FJCT captioned *Antonio Hernandez, individually, and on behalf of all others similarly situated, v. FJCT Acquisition, LLC, a California Corporation, and DOES 1 through 10,* Case No. 24STCV31275 initiated on November 25, 2024, and pending in the Superior Court of the State of California, County of Los Angeles.

1.2 **"ADMINISTRATOR"** means Phoenix Class Action Administration Solutions the neutral entity the PARTIES have agreed to appoint to administer the Settlement.

1.3 **"ADMINISTRATION 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" or "AGGRIEVED EMPLOYEES"** mean all persons within the State of California who are or were employed by FJCT as non-exempt or hourly paid employees during any portion of the PAGA PERIOD (defined below in 1.22)

1.5 **"AGGRIEVED EMPLOYEE DATA"** means AGGRIEVED EMPLOYEE identifying information in FJCT's possession, custody, or control, including the AGGRIEVED EMPLOYEE's name, last-known mailing address, last known telephone number, social security number, and number of PAGA PAY PERIODS within the PAGA PERIOD.

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 **“AGREEMENT”** or **“SETTLEMENT”** means this Private Attorneys General Act Settlement Agreement and Release.

1.8 **“FJCT”** or **“DEFENDANT”** means named defendant FJCT Acquisition, LLC dba Fletcher Jones Toyota of Carson.

1.9 **“COURT”** means the Superior Court of California, County of Los Angeles.

1.10 **“DEFENSE COUNSEL”** means Karl R. Lindegren, Lizbeth Ochoa and Spencer Waldron of FISHER & PHILLIPS, LLP.

1.11 **“EFFECTIVE DATE”** means the date by when both of the following have occurred: (a) the COURT enters a Judgment on its Order Approving this SETTLEMENT and (b) the Judgment is final. The Parties agree that there is no right to opt-out or object to this SETTLEMENT by any of the AGGRIEVED EMPLOYEES. It is therefore the Parties’ intention that this SETTLEMENT shall be final at the time of Court Approval and Entry of Judgment.

1.12 **“GROSS SETTLEMENT AMOUNT”** means One Hundred Eighty Thousand Dollars and Zero Cents ($180,000.00) which is the total amount FJCT agrees to pay under this AGREEMENT.

1.13 **“INDIVIDUAL PAGA PAYMENT”** means each 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.

1.14 **“LWDA”** means the California Labor and Workforce Development Agency.

1.15 **“LWDA PAGA PAYMENT”** means the 65% of the PAGA PENALTIES paid to the LWDA under Labor Code section 2699, subdivision (i).

1.16 “**NET SETTLEMENT AMOUNT**” means the GROSS SETTLEMENT AMOUNT, less the following payments in the amounts approved by the COURT: (1) PLAINTIFF’S COUNSEL FEES PAYMENT; (2) PLAINTIFF ENHANCEMENT PAYMENT; (3) PLAINTIFF’S COUNSEL LITIGATION EXPENSES PAYMENT; and (4) the ADMINISTRATION EXPENSES PAYMENT. The remainder is to be paid to the LWDA as LWDA PAGA PAYMENT and to AGGRIEVED EMPLOYEES as INDIVIDUAL PAGA PAYMENT.

1.17 **“PAGA”** means the California Labor Code Private Attorneys General Act of 2004 (Lab. Code, § 2698, *et seq*.).

1.18 **“PLAINTIFF’S COUNSEL”** means Thiago Coelho, Jesenia Martinez, Jesse Chen, and Lauren Lendzion of WILSHIRE LAW FIRM, PLC, the attorneys representing the PLAINTIFF, the State of California and the AGGRIEVED EMPLOYEES in the ACTION.

1.19 **"PLAINTIFF'S COUNSEL FEES PAYMENT"** means the amount allocated to PLAINTIFF'S COUNSEL for its reasonable attorneys' fees incurred to prosecute the ACTION, approved by the Court.

1.20 "**PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT**" means the amount allocated to PLAINTIFF'S COUNSEL for its reasonable costs incurred to prosecute the ACTION, approved by the Court.

1.21 **"PAGA NOTICE"** means PLAINTIFF's letter dated December 18, 2024, addressed to FJCT and the LWDA, providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.22 **"PAGA PERIOD"** means the period from December 18, 2023, through August 27, 2025.

1.23 **"PAGA PAY PERIODS"** means any pay period during which an AGGRIEVED EMPLOYEE worked for FJCT for at least one day during the PAGA PERIOD.

1.24 **"PAGA RELEASED CLAIMS"** means all claims asserted in the First Amended Complaint ("FAC" or the "Operative Complaint"), all claims asserted in the PAGA NOTICE sent by or on behalf of PLAINTIFF to the LWDA, all claims that could have been asserted in the Operative Complaint (whether under federal law or state law) based on the facts alleged in the FAC or PAGA NOTICE, including but not limited to any and all claims for PAGA penalties based on the Labor Code sections asserted therein, including, PAGA PENALTIES for violations under the California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2699, *et seq*., and 2802, and the applicable IWC Wage Orders.

1.25 **"PAGA PENALTIES"** means the total amount of PAGA civil penalties to be paid from the NET SETTLEMENT AMOUNT, allocated as follows: 35% to the AGGRIEVED EMPLOYEES and 65% to LWDA in settlement of the ACTION.

1.26 **"PARTIES"** means PLAINTIFF and FJCT collectively.

1.27 **"PLAINTIFF"** means ANTONIO HERNANDEZ, the named plaintiff in the ACTION.

1.28 **"PLAINTIFF ENHANCEMENT PAYMENT"** means the payment in the amount of Ten Thousand Dollars and Zero Cents ($10,000.00) to PLAINTIFF for his work in bringing the ACTION and acting on behalf of the State of California and the AGGRIEVED EMPLOYEES.

1.29 **“RELEASED PARTIES”** means FJCT and its past and present officers, directors, shareholders, owners, current and former managerial employees, agents, representatives, members, attorneys, insurers, re-insurers, assigns, affiliates, successors and predecessors, and/or any other entity alleged to be a joint employer or jointly liable with FJCT for any of the PAGA RELEASED CLAIMS.

2. RECITALS.

2.1 Commencement of Action. On November 25, 2024, PLAINTIFF commenced the ACTION by filing a civil complaint in Los Angeles County Superior Court alleging multiple causes of action on a class action basis against Fletcher Jones Motor Cars, Inc.

2.2 DOE Amendment & Dismissal: After learning FJCT Acquisition, LLC was PLAINTIFF’s employer and not Fletcher Jones Motor Cars, Inc., Plaintiff filed a DOE amendment naming defendant FJCT Acquisition, LLC dba Fletcher Jones Toyota of Carson and dismissed Fletcher Jones Motor Cars, Inc.

2.3 First Amended Complaint: On March 25, 2025, PLAINTIFF filed a First Amended Complaint (“FAC”) in the ACTION, adding a PAGA cause of action and seeking PAGA penalties, attorney’s fees and costs on his behalf and on behalf of the State of California (specifically the LWDA) and the AGGRIEVED EMPLOYEES consistent with the PAGA claims exhausted under the PAGA NOTICE (Exhibit A to the FAC). The FAC seeks PAGA penalties for the following alleged violations of the California Labor Code which were pled in the PAGA NOTICE §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2699, *et seq*., and 2802, and the applicable IWC Wage Orders. In the FAC, PLAINTIFF alleges DEFENDANT (1) failed to pay all wages due for all hours worked, including, but not limited to, failed to pay minimum wage, straight time and/or overtime; (2) failed to provide meal periods in conformance with the law and failed to keep accurate records of meal periods; (3) failed to provide rest periods in conformance with the law; (4) failed to pay all wages due at termination; (5) failed to provide legally compliant wage statements; and (5) failed to reimburse for necessary business expenses. The FAC is the operative complaint in the ACTION (the “Operative Complaint”).

2.4 Dismissal of Class Claims. PLAINTIFF dismissed all of the class claims in the ACTION, leaving only the PAGA cause of action seeking civil penalties, attorneys’ fees and costs, pursuant to PAGA for multiple alleged violations.

2.5 Notice to LWDA. Pursuant to Labor Code section 2699.3, subdivision (a), PLAINTIFF gave written notice to FJCT and the LWDA by sending the PAGA NOTICE. The PAGA NOTICE alleges, inter alia, that FJCT engaged in conduct which violated California Labor Code §§ 201, 202, 203, 204, , 210, 226, 226.3, 226.7, 246, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2699, *et seq*., and 2802, and the applicable IWC Wage Orders.

2.6 Defendant Denies Liability and Wrongdoing. This AGREEMENT represents a full compromise and settlement of highly disputed claims. Nothing in this AGREEMENT is intended or will be construed as an admission by FJCT that PLAINTIFF's claims in the ACTION have merit or that FJCT has any liability to PLAINTIFF, the state, or to any of the AGGRIEVED EMPLOYEES. FJCT denies any liability and wrongdoing of any kind associated with the claims alleged in the ACTION and the PAGA NOTICE. Neither this settlement, nor any document referred to or contemplated herein, nor any action taken to carry out this AGREEMENT, is, may be construed as, or may be used as, an admission, concession, or indication by or against any defendant in this ACTION of any unlawful conduct, fault, wrongdoing, or liability whatsoever. FJCT specifically denies that it has engaged in any unlawful or wrongful conduct against PLAINTIFF or the AGGRIEVED EMPLOYEES.

2.7 Mediation. On July 1, 2025, the PARTIES participated in an all-day mediation presided over by an experienced PAGA mediator which ultimately led to this AGREEMENT to settle the ACTION.

2.8 Investigation. Prior to the mediation and prior to negotiating the terms of this AGREEMENT, the PARTIES conducted investigation and informal discovery of the relevant facts and law. Additionally, FJCT produced documents relating to its wage-and-hour policies, practices, and procedures and an agreed upon sampling of AGGRIEVED EMPLOYEES' records including, but not limited to, time records, pay records, and information relating to the size and scope of the AGGRIEVED EMPLOYEES, as well as data permitting PLAINTIFF to understand the number of PAGA PERIODS. PLAINTIFF'S COUNSEL reviewed the records and conducted their own independent investigation of the facts and law.

2.9 Compromise of Disputed Claims. The PARTIES understand, acknowledge, and agree that this AGREEMENT constitutes a compromise of the claims alleged in the Operative Complaint and/or in the PAGA NOTICE and that it is the desire and intention of the PARTIES to effect a final and complete resolution of the ACTION and the PAGA claims alleged therein against FJCT and the RELEASED PARTIES. The PARTIES agree that representative treatment is for purposes of this Settlement only. If, for any reason, the COURT does not approve this settlement, FJCT reserves all available defenses to the claims in the Operative Complaint and/or in the PAGA NOTICE and PLAINTIFF reserves the right to contest FJCT's defenses. This AGREEMENT and the PARTIES' willingness to settle the ACTION will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this AGREEMENT).

2.10 No Other Pending Matter. The PARTIES, PLAINTIFF'S 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. DEFENDANT asserts that it is not aware of any other pending PAGA lawsuit against DEFENDANT.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Section 8.2 below, FJCT agrees to pay One Hundred Eighty Thousand Dollars and Zero Cents ($180,000.00) and no more as the GROSS SETTLEMENT AMOUNT to settle the ACTION. FJCT has no obligation to pay the GROSS SETTLEMENT AMOUNT prior to the deadline stated in Section 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 back to FJCT.

3.2 Payments from the Gross Settlement Amount. The ADMINISTRATOR will make and deduct the following payments from the GROSS SETTLEMENT AMOUNT, in the amounts specified by the COURT in the Final Approval Order:

3.2.1 Plaintiff Enhancement Payment: In consideration for PLAINTIFF's participation in and assistance in the ACTION, PLAINTIFF shall receive Ten Thousand Dollars and Zero Cents ($10,000.00) ("PLAINTIFF ENHANCEMENT PAYMENT") from the GROSS SETTLEMENT AMOUNT. The PLAINTIFF ENHANCEMENT PAYMENT shall be reported on IRS Form 1099. PLAINTIFF will be solely and legally responsible to pay all applicable taxes on any payment made pursuant to this paragraph and agrees to hold RELEASED PARTIES harmless and to indemnify RELEASED PARTIES should any taxing authority find any of the RELEASED PARTIES responsible for taxes and/or penalties owed on the payments made pursuant to this paragraph. This AGREEMENT is not contingent upon the COURT awarding PLAINTIFF any particular amount for the PLAINTIFF ENHANCEMENT PAYMENT. If the COURT reduces or does not approve the requested PLAINTIFF ENHANCEMENT PAYMENT, this AGREEMENT will remain binding on the PARTIES and the amount not approved by the COURT will be added to the NET SETTLEMENT AMOUNT and be distributed as provided in this AGREEMENT to the LWDA and AGGRIEVED EMPLOYEES. If the COURT does not approve the PLAINTIFF ENHANCEMENT PAYMENT in the amount requested in this paragraph, none of the RELEASED PARTIES shall be liable to PLAINTIFF for the unapproved amount. FJCT does not oppose an application by PLAINTIFF for the PLAINTIFF ENHANCEMENT PAYMENT in the amount identified in this paragraph.

3.2.2 Plaintiff's Counsel.

3.2.2.1 Attorney's Fees: A PLAINTIFF'S COUNSEL FEES PAYMENT of not more than one-third (1/3) of the GROSS SETTLEMENT AMOUNT, which is currently estimated to be sixty thousand dollars and zero cents ($60,000.00).

3.2.2.2 PAGA Litigation Expenses Payment: PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT of up to fifteen thousand dollars and zero cents ($15,000.00) from the GROSS SETTLEMENT AMOUNT.

3.2.2.3 Unapproved Amounts Revert to Net Settlement Amount: If the COURT reduces or does not approve the requested PLAINTIFF'S COUNSEL FEES PAYMENT and/or a PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT in the amounts requested above, this AGREEMENT will remain binding on the PARTIES and the amount(s) not approved by the COURT will be added to the NET SETTLEMENT AMOUNT and be distributed as provided in this AGREEMENT to the LWDA and AGGRIEVED EMPLOYEES. This AGREEMENT is not contingent upon the COURT awarding PLAINTIFF'S COUNSEL FEES PAYMENT and/or a PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT in the amounts requested. If the COURT does not approve the PLAINTIFF'S COUNSEL FEES PAYMENT and/or the PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT in the amounts requested above, none of the RELEASED PARTIES shall be liable for the unapproved amount. FJCT does not oppose an application by PLAINTIFF'S COUNSEL for an award of PLAINTIFF'S COUNSEL FEES PAYMENT and/or a PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT, provided that the amounts requested do not exceed the amounts identified above in sections 3.2.2.1 and 3.2.2.2.

3.2.2.4 PLAINTIFF'S COUNSEL Responsibilities: PLAINTIFF'S COUNSEL will be responsible for submitting all documents and/or briefs to support their request for PLAINTIFF'S COUNSEL FEES PAYMENT and/or a PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT. Additionally, PLAINTIFF'S COUNSEL will be solely and legally responsible to pay all applicable taxes on the PLAINTIFF'S COUNSEL FEES PAYMENT and/or PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT they receive and to hold harmless and indemnify RELEASED PARTIES should any taxing authority find any of the RELEASED PARTIES responsible for taxes and/or penalties owed on the payments made pursuant to sections 3.2.2.1 and/or 3.2.2.2 above. The Administrator will issue an IRS Form 1099- MISC to PLAINTIFF'S COUNSEL for the payments made pursuant to sections 3.2.2.1 and 3.2.2.2 of this AGREEMENT. The RELEASED PARTIES shall not be liable for any claim by any third party claiming entitlement to some or all of the PLAINTIFF'S COUNSEL FEES PAYMENT and/or a PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT. PLAINTIFF'S COUNSEL and PLAINTIFF agree to hold RELEASED PARTIES harmless from any dispute or controversy regarding any division or sharing of any of the payments referenced in this AGREEMENT.

3.2.3 To the Administrator: An ADMINISTRATION EXPENSES PAYMENT not to exceed three thousand five hundred dollars and zero cents ($3,500.00) to the ADMINISTRATOR. If the COURT reduces or does not approve the requested ADMINISTRATION EXPENSES PAYMENT in the amount requested, this AGREEMENT will remain binding on the PARTIES and the amount not approved by the COURT will be added to the NET SETTLEMENT AMOUNT and be distributed as provided in this AGREEMENT to the LWDA and AGGRIEVED EMPLOYEES. This AGREEMENT is not contingent upon the COURT awarding

ADMINISTRATION EXPENSES PAYMENT in the amount requested. If the COURT does not approve the ADMINISTRATION EXPENSES PAYMENT in the amount requested above, none of the RELEASED PARTIES shall be liable for the unapproved amount. FJCT does not oppose an application by the ADMINISTRATOR or PLAINTIFF'S COUNSEL for an award of ADMINISTRATION EXPENSES PAYMENT, provided that the amount requested does not exceed the amounts identified in this paragraph. Additionally, the ADMINISTRATOR will be solely and legally responsible to pay all applicable taxes on the ADMINISTRATION EXPENSES PAYMENT they receive and to hold harmless and indemnify RELEASED PARTIES should any taxing authority find any of the RELEASED PARTIES responsible for taxes and/or penalties owed on the ADMINISTRATION EXPENSES PAYMENT.

3.3 Net Settlement Amount to the LWDA and AGGRIEVED EMPLOYEES. The NET SETTLEMENT AMOUNT after deducting the ADMINISTRATION EXPENSES PAYMENT, PLAINTIFF'S COUNSEL FEES PAYMENT, PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT and the PLAINTIFF ENHANCEMENT PAYMENT from the Gross Settlement is estimated to be at least ninety-one thousand five hundred dollars and zero cents ($91,500.00) ("NET SETTLEMENT AMOUNT"). Subject to COURT approval, the NET SETTLEMENT AMOUNT shall be distributed by the ADMINISTRATOR as follows:

3.3.1 LWDA Distribution: 65% of the NET SETTLEMENT AMOUNT shall be distributed to the LWDA. Accordingly, approximately fifty-nine thousand four hundred seventy-five dollars and zero cents ($59,475.00) will be paid to the LWDA ("LWDA PAGA PAYMENT").

3.3.2 Distribution to AGGRIEVED EMPLOYEES: 35% of the NET SETTLEMENT AMOUNT shall be distributed to the AGGRIEVED EMPLOYEES on a pro-rata basis based upon the number of PAGA PAY PERIODS worked by the individual AGGRIEVED EMPLOYEE during the PAGA PERIOD ("INDIVIDUAL PAGA PAYMENT"). Each AGGRIEVED EMPLOYEE's INDIVIDUAL PAGA PAYMENT will be calculated by the ADMINISTRATOR based on the information to be provided by FJCT. If an AGGRIEVED EMPLOYEE worked only a portion of a PAGA PAY PERIOD during the PAGA PERIOD, they will get credit for the whole PAGA PAY PERIOD. If an AGGRIEVED EMPLOYEE did not work at all during an entire PAGA PAY PERIOD, that/those PAGA PAY PERIOD(s) will be excluded from their pro-rata share. The INDIVIDUAL PAGA PAYMENT to the AGGRIEVED EMPLOYEES are in settlement of the claims for civil penalties alleged and/or sought in the Operative Complaint and the PAGA NOTICE and in exchange for their release of the PAGA RELEASED CLAIMS within the PAGA PERIOD.

3.3.2.1 Taxability on Individual PAGA Payment: Each AGGRIEVED EMPLOYEE assumes full responsibility and liability for any taxes owed on their

INDIVIDUAL PAGA PAYMENT. The PARTIES agree that 100% of the INDIVIDUAL PAGA PAYMENT shall be allocated to penalties. The ADMINISTRATOR will be responsible for meeting tax reporting obligations including the issuance of IRS Form 1099 as appropriate. No later than January 31 of the year following payment of the GROSS SETTLEMENT AMOUNT, the ADMINISTRATOR will prepare and issue an IRS Form 1099 to the recipients, including itself, who received a payment under this AGREEMENT, to the extent the payments require issuance of such a form under applicable law.

3.4 Settlement Awards Do Not Trigger Additional Benefits. It is expressly understood and agreed that the receipt of an INDIVIDUAL PAGA PAYMENT under this AGREEMENT will not entitle any AGGRIEVED EMPLOYEE or PLAINTIFF to additional compensation or benefit under any company bonus or other compensation or benefit plan or agreement in place during the period covered by the AGREEMENT.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 PAGA Pay Periods. Based on a review of its records, FJCT estimates that as of July 1, 2025 (mediation date) there were 145 AGGRIEVED EMPLOYEES who worked approximately 3,545 PAGA PAY PERIODS as of that date within the PAGA PERIOD. Within the PAGA PAY PERIOD there are now a total of 152 AGGRIEVED EMPLOYEES who worked approximately 3,898 PAGA PAY PERIODS.

4.2 Aggrieved Employee Data. Within ten (10) court days after the COURT issues its Order approving this SETTLEMENT, FJCT will deliver the AGGRIEVED EMPLOYEE DATA to the ADMINISTRATOR in the form of a Microsoft Excel spreadsheet. To protect AGGRIEVED EMPLOYEES' privacy rights, the ADMINISTRATOR 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.

4.3 Deadline for Funding of Gross Settlement Amount. FJCT shall fully fund the GROSS SETTLEMENT AMOUNT by transmitting the funds to the ADMINISTRATOR no later than ten (10) court days after the EFFECTIVE DATE.

4.4 Deadline and Method for Distribution of the Gross Settlement Amount: Within fourteen (14) days after FJCT funds the GROSS SETTLEMENT AMOUNT, the ADMINISTRATOR will mail checks for all INDIVIDUAL PAGA PAYMENTS, the LWDA PAGA PAYMENT, the ADMINISTRATION EXPENSES PAYMENT, PLAINTIFF ENHANCEMENT PAYMENT, the PLAINTIFF'S COUNSEL FEES PAYMENT and the PLAINTIFF'S COUNSEL LITIGATION

EXPENSES PAYMENT. The checks will be sent 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 ADMINISTRATOR must update the recipients' mailing addresses using the National Change of Address Database. See Section 7 below, for additional ADMINISTRATOR duties and responsibilities.

5. RELEASE OF CLAIMS.

5.1 Effective Date of Release of Claims. Effective on the date when FJCT fully funds the entire GROSS SETTLEMENT AMOUNT, PLAINTIFF, AGGRIEVED EMPLOYEES, PLAINTIFF'S COUNSEL and LWDA (both individually and as proxy or agent for and on behalf of the LWDA and the State of California), will release claims against all RELEASED PARTIES as follows:

5.1.1 General Release by PLAINTIFF: PLAINTIFF, on behalf of himself and his former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns, forever releases, remises and discharges the RELEASED PARTIES from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, expenses (including attorney's fees and costs), transactions, occurrences, known and unknown, at law or in equity, which he and/or they may now have, including, but not limited to: claims arising out of or in any way connected with PLAINTIFF's employment with FJCT including, but, not limited to, the PAGA RELEASED CLAIMS, claims that were asserted in the ACTION or could have been asserted, and any and all transactions, occurrences or matters between the PARTIES occurring prior to the date this AGREEMENT is fully executed. Without limiting the generality of the foregoing, this release includes, but is not limited to, any and all claims under the: (a) Americans With Disabilities Act, as amended; (b) Title VII of the Civil Rights Act of 1964, as amended; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age Discrimination in Employment Act, as amended; (f) the Fair Labor Standards Act, as amended; (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act of 1966; (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the California Labor Code; (p) the California Government Code; (q) the California Civil Code; (r) the California Family Rights Act and (s) any and all other federal, state and local statutes, ordinances, regulations, rules and other laws, and any and all claims based on constitutional, statutory, common law or regulatory grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent infliction of emotional distress, or damages under any other federal, state or local statutes, ordinances, regulations, rules or laws. This release is for any and all relief, no matter how denominated, including, but not limited to, wages, back pay, front pay, premiums, penalties, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs ("Plaintiff's General Release"). With respect to Plaintiff's General Release, PLAINTIFF stipulates and agrees that, upon FJCT's fulfillment of its settlement payment obligations under this AGREEMENT, PLAINTIFF shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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

5.1.1.1 <u>Plaintiff's Release of Known and Unknown Claims</u>: PLAINTIFF understands the significance and consequences of a California Civil Code Section 1542 waiver, and understands that he hereby waives all claims, known or unknown, suspected or unsuspected against FJCT and RELEASED PARTIES. PLAINTIFF alone shall assume full responsibility for any damages or losses caused by this waiver. Plaintiff's General 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. 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 General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or PLAINTIFF's discovery of them.

5.1.2 <u>Release by LWDA and AGGRIEVED EMPLOYEES:</u> In exchange for the consideration (NET SETTLEMENT AMOUNT) provided for by this AGREEMENT to the LWDA and the AGGRIEVED EMPLOYEES, upon the Effective Date and full funding of the GROSS SETTLEMENT AMOUNT, the State of California, through their proxy or agent the LWDA and the AGGRIEVED EMPLOYEES, hereby release the RELEASED PARTIES from the PAGA RELEASED CLAIMS during the PAGA PERIOD only.

5.1.3 <u>Release by PLAINTIFF'S COUNSEL</u>: PLAINTIFF'S 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.

5.2 No Right to Opt Out. The PARTIES agree that there is no statutory right for any AGGRIEVED EMPLOYEE to opt out or otherwise exclude himself or herself from the AGREEMENT.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

6.1 Responsibilities of PLAINTIFF'S COUNSEL. PLAINTIFF'S COUNSEL is responsible for expeditiously preparing, finalizing and filing the application or motion for approval of this settlement with the COURT 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. PLAINTIFF'S COUNSEL is responsible for delivering the COURT's Approval of this settlement to the ADMINISTRATOR and DEFENSE COUNSEL.

6.2 Duty to Cooperate. If the PARTIES disagree on any aspect of the proposed application or motion for approval of this AGREEMENT and/or the supporting declarations and documents, PLAINTIFF'S 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 AGREEMENT or conditions its approval on any material change to this AGREEMENT, PLAINTIFF'S COUNSEL and DEFENSE COUNSEL will expeditiously work together on behalf of the PARTIES by meeting in person, by telephone, and/or by email, and in good faith, to modify the AGREEMENT and otherwise satisfy the COURT's concerns.

6.3 Submission of Settlement to LWDA. Within five (5) business days after the execution of the AGREEMENT and its submission to the COURT for approval by Motion, PLAINTIFF'S COUNSEL shall submit the AGREEMENT to the LWDA through its on-line procedures, and shall provide DEFENSE COUNSEL with a copy of the LWDA's acknowledgment of receipt of the AGREEMENT.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The PARTIES have jointly selected Phoenix Class Action Administration Solutions to serve as the ADMINISTRATOR and verified that, as a condition of appointment, Phoenix Class Action Administration Solutions 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 respective 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 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.

7.3 Administrator Duties. In addition to all the other ADMINISTRATOR duties identified in this AGREEMENT, the ADMINISTRATOR has the following duties and responsibilities under this AGREEMENT: (a) preparing, printing, and mailing the Notice of PAGA Settlement and Release of Claims ("Notice") to the AGGRIEVED EMPLOYEES in a form substantially similar to **Exhibit A** appended hereto and/or as modified and approved by the COURT; (b) calculating the pro-rata share for each AGGRIEVED EMPLOYEE based upon the PAGA PAY PERIODS worked in California by the AGGRIEVED EMPLOYEE within the PAGA PERIOD; (c) performing skip traces and/or using other more up to date technology to find current address information; (d) remailing Notices to the AGGRIEVED EMPLOYEES following a skip trace; (e) calculating and mailing each AGGRIEVED EMPLOYEE'S INDIVIDUAL PAGA PAYMENT; (f) mailing the LWDA's portion of the NET SETTLEMENT AMOUNT; (g) distributing the PLAINTIFF'S COUNSEL FEES PAYMENT and the PLAINTIFF'S COUNSEL LITIGATION EXPENSES PAYMENT to PLAINTIFF'S COUNSEL; (h) distributing the PLAINTIFF ENHANCEMENT PAYMENT to PLAINTIFF; (i) providing the applicable IRS 1099 forms; (j) providing a due diligence declaration for submission to the COURT upon completion of the Settlement Payment distribution; (k) turning over any funds remaining in the Qualified Settlement Fund at the close of the 180-day period as a result of uncashed checks to the California State Controller: Unclaimed Property Fund in the name of the AGGRIEVED EMPLOYEE; (l) providing DEFENSE COUNSEL a copy of each Notice sent to each AGGRIEVED EMPLOYEE identifying their individual PAGA settlement share; (m) providing FJCT and/or its counsel at their request, copies of any and all documents confirming the ADMINISTRATOR performed all duties and responsibilities as provided for in this AGREEMENT; (n) ensuring that the AGGRIEVED EMPLOYEES' data is properly secured to avoid a data breach or privacy violation; (o) abiding by its fiduciary duties under this AGREEMENT; (p) responding to inquiries from AGGRIEVED EMPLOYEES; (q) providing information to counsel as necessary and/or (r) performing other tasks as the PARTIES mutually agree. The ADMINISTRATOR must conduct an AGGRIEVED EMPLOYEE ADDRESS SEARCH for all AGGRIEVED EMPLOYEES whose checks are returned undelivered without USPS forwarding address. Within seven (7) business 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 remailed checks are returned as undelivered. The ADMINISTRATOR shall promptly send a replacement check to any AGGRIEVED EMPLOYEE whose original check was lost or misplaced and requested by the AGGRIEVED EMPLOYEE prior to the void date. 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.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

8.1 Aggrieved Employee Size. The terms of this settlement and PLAINTIFF's agreement to enter into it were based on FJCT's assertions that there are 152 allegedly AGGRIEVED EMPLOYEES who worked approximately 3,898 PAGA PAY PERIODS during the PAGA PERIOD. Throughout the PAGA PERIOD, DEFENDANT paid AGGRIEVED EMPLOYEES twice a month, so DEFENDANT'S PAGA PAY PERIODS covered time periods which occurred twice per month throughout the PAGA PERIOD.

8.2 Escalator Clause. Should the number of such PAGA PAY PERIODS as of the end of the PAGA PERIOD exceed 3,900 PAGA PAY PERIODS, DEFENDANT shall increase the GROSS SETTLEMENT AMOUNT proportionally to account for the pay periods exceeding 3,900, or alternatively, at DEFENDANT's sole election, change the PAGA PERIOD end date to the date on which the total PAGA PAY PERIODS for AGGRIEVED EMPLOYEES reaches approximately 3,900 without exceeding 3,900, so long as that end date is not prior to July 1, 2025.

9. CONTINUING JURISDICTION OF THE COURT:

9.1 Continuing Jurisdiction. The PARTIES agree that, pursuant to Code of Civil Procedure section 664.6, after entry of Judgment, the COURT will retain jurisdiction over the PARTIES, ACTION and this settlement 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.

9.2 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this AGREEMENT, specifically including PLAINTIFF'S ENHANCEMENT PAYMENT, PLAINTIFF'S COUNSEL FEES PAYMENT and PLAINTIFF'S 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 FJCT that any of the allegations in the Operative Complaint or PAGA NOTICE have merit or that FJCT has any liability for any claims asserted; nor should it be intended or construed as an admission by PLAINTIFF that FJCT's defenses in the ACTION have merit. The PARTIES agree that representative treatment is for purposes of this Settlement only. If for any reason the COURT does not approve this settlement, FJCT reserves all available defenses to the claims in the ACTION, and PLAINTIFF reserves the right to contest FJCT's defenses. The settlement, this AGREEMENT and PARTIES' willingness to settle the ACTION will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this AGREEMENT).

10.2 <u>Integrated Agreement</u>. Upon execution by all PARTIES and their counsel, this AGREEMENT together with its attached exhibit shall constitute the entire agreement between the PARTIES relating to the settlement of the ACTION, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

10.3 <u>Agreement Conditioned on Court Approval</u>. This AGREEMENT is subject to and conditioned upon obtaining COURT approval under Labor Code Section 2699. The PARTIES expressly acknowledge that the COURT's approval of this AGREEMENT is a condition precedent to any payments and releases described in this AGREEMENT.

10.4 <u>Attorney Authorization</u>. PLAINTIFF'S COUNSEL and DEFENSE COUNSEL separately warrant and represent that they are authorized by PLAINTIFF and FJCT, 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.

10.5 <u>Cooperation</u>. 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 AGREEMENT, submitting supplemental evidence and supplementing points and authorities as requested by the COURT. In the event the PARTIES are unable to agree upon the form or content of any document necessary to implement the settlement, or on any modification of the AGREEMENT that may become necessary to implement the settlement, the PARTIES will seek the assistance of a mediator and/or the COURT for resolution.

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

10.7 No Tax Advice. Neither PLAINTIFF, PLAINTIFF'S COUNSEL, FJCT nor DEFENSE COUNSEL are providing any advice regarding taxes or taxability, nor shall anything in this settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.8 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 as necessary. Any waiver of any provision of this AGREEMENT shall not constitute a waiver of any other provision of this AGREEMENT unless expressly so indicated otherwise.

10.9 Agreement Binding on Successors. This AGREEMENT will be binding upon, and inure to the benefit of, the successors of each of the PARTIES.

10.10 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.

10.11 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.

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

10.13 No Public Comment. PLAINTIFF and PLAINTIFF'S COUNSEL will not make any public disclosure of the settlement or this AGREEMENT, except through the public filing for COURT approval of this AGREEMENT, until after the COURT enters an order approving the settlement and judgment. The PARTIES will use their best efforts to reach agreement on all COURT filings.

10.14 Use and Return of Aggrieved Employee Data. Information provided to PLAINTIFF'S COUNSEL pursuant to Evidence Code section 1152, and all copies and summaries of the AGGRIEVED EMPLOYEE DATA provided to PLAINTIFF'S COUNSEL by FJCT 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 California Rules of Court rule. Not later than 90 days after the ADMINISTRATOR discharges its obligation to pay out all of the settlement funds, PLAINTIFF'S COUNSEL shall destroy all paper and electronic versions of AGGRIEVED EMPLOYEE DATA received from FJCT, other than PLAINTIFF'S own data, unless, prior to the

ADMINISTRATOR's payment of all settlement funds, FJCT makes a written request to PLAINTIFF'S COUNSEL for the return, rather than the destruction, of AGGRIEVED EMPLOYEE DATA.

10.15 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.

10.16 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.

10.17 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:

Thiago Coelho
thiago.coelho@wilshirelawfirm.com
Lauren Lendzion
lauren.lendzion@wilshirelawfirm.com
Jesenia Martinez
jesenia.martinez@wilshirelawfirm.com
Jesse Chen
jesse.chen@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street
Sky Lobby
Los Angeles, CA 90017

To FJCT:

Karl R. Lindegren
klindegren@fisherphillips.com
Lizbeth Ochoa
lochoa@fisherphillips.com
Spencer Waldron
swaldron@fisherphillips.com
FISHER & PHILLIPS, LLP
2050 Main Street
Suite 1000
Irvine, CA 92614

10.18 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.

10.19 Voiding the Settlement. A failure of the COURT to approve this Settlement, after the PARTIES cooperated in good faith to implement this Settlement pursuant to Section 10.5 above, shall render the entire Settlement voidable and unenforceable as to PLAINTIFF and FJCT, at the option of PLAINTIFF or FJCT.

10.20 Integration Clause. This AGREEMENT regarding settlement of PLAINTIFF's ACTION contains the entire agreement between the PARTIES relating to the settlement and transaction contemplated hereby, and prior or contemporaneous written agreements are merged herein. No rights hereunder may be waived except in writing.

10.21 Invalidity of Any Provision; Severance. If any provision, term, section, or paragraph of this AGREEMENT shall be found to be invalid, illegal or unenforceable, all remaining provisions, terms, sections, or paragraphs shall continue in full force and effect and remain binding on all PARTIES. If any provision, term, section or paragraph of this AGREEMENT is determined to be unenforceable, such provision, term, section or paragraph shall be modified so that the unenforceable provision, terms, section or paragraph is enforceable to the extent possible while maintaining the objective intent of the AGREEMENT.

10.22 Breach. In the event of a breach of any provision of this AGREEMENT, any Party reserves the right to institute an action specifically to enforce any term of this AGREEMENT or seek damages for breach. In an action to enforce any term of this AGREEMENT or to seek damages for breach of this AGREEMENT, the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

10.23 Stay of Litigation. The PARTIES agree that upon the execution of this AGREEMENT the litigation of the ACTION shall be stayed, except to effectuate the terms of this AGREEMENT. Further, that pursuant to Code of Civil Procedure section 583.330, upon signing of this AGREEMENT, the date to bring this case to trial under Code of Civil Procedure section 583.310 is extended for the entire period of this settlement process.

10.24 Voluntary Agreement. The PARTIES expressly declare and represent that they have read this AGREEMENT and have consulted with counsel, or had the opportunity to consult with counsel, regarding the meaning of the provisions, terms, and conditions contained herein. The PARTIES further expressly declare and represent that they understand the content and effect of this AGREEMENT and that they approve and accept the terms and conditions contained herein, and that the AGREEMENT is executed freely and voluntarily.

PLAINTIFF

Dated: October 23, 2025

Signed by:
____
8A22EDD5AB0E4A0...
Antonio Hernandez, Plaintiff

FJCT ACQUISITION, LLC DBA FLETCHER JONES TOYOTA OF CARSON

Dated: October___, 2025

By:___________________________

Name:_________________________
Title: Authorized Representative of FJCT Acquisition, LLC dba Fletcher Jones Toyota of Carson

Dated: October 23, 2025

WILSHIRE LAW FIRM, PLC

By:___________________________
Thiago Coelho
Attorneys for Plaintiff

Dated: October ___, 2025

FISHER & PHILLIPS LLP

By:___________________________
Karl Lindegren
Lizbeth Ochoa
Spencer Waldron
Attorneys for DEFENDANT

and conditions contained herein. The PARTIES further expressly declare and represent that they understand the content and effect of this AGREEMENT and that they approve and accept the terms and conditions contained herein, and that the AGREEMENT is executed freely and voluntarily.

PLAINTIFF

Dated: October ___, 2025

____
Antonio Hernandez, Plaintiff

FJCT ACQUISITION, LLC DBA FLETCHER JONES TOYOTA OF CARSON

Dated: October 23, 2025

By: Fletcher Jones III
Fletcher Jones III (Oct 23, 2025 18:29:02 PDT)

Name: Fletcher Jones III, COO
Title: Authorized Representative of FJCT Acquisition, LLC dba Fletcher Jones Toyota of Carson

Dated: October ___, 2025

WILSHIRE LAW FIRM, PLC

By: ___________________________
Thiago Coelho
Attorneys for Plaintiff

Dated: October 23, 2025

FISHER & PHILLIPS LLP

By: ___________________________
Karl Lindegren
Lizbeth Ochoa
Spencer Waldron
Attorneys for DEFENDANT

EXHIBIT A

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

ANTONIO HERNANDEZ, individually, and on behalf of all others similarly situated, *Plaintiff*, vs. FJCT Acquisition, LLC, a California corporation; and DOES 1 to 10, inclusive, *Defendant.*	**CASE NO. 24STCV31275** **NOTICE OF PAGA SETTLEMENT AND RELEASE**

[INSERT AGGRIEVED EMPLOYEE NAME AND ADDRESS]

Dear [insert aggrieved employee name]:

1. The enclosed check is your proportionate share of a court-approved representative action settlement between Plaintiff Antonio Hernandez ("Plaintiff") and Defendant FJCT Acquisition, LLC ("Defendant"). Plaintiff filed a lawsuit against Defendant as the representative of the State of California and Defendant's other current and former non-exempt employees who performed work in California as non-exempt employees for Defendant at any time between December 18, 2023 and August 27, 2025. The lawsuit was filed in Los Angeles County Superior Court Case No. 24STCV31275. Plaintiff asserted claims against Defendant under California Labor Code section 2698, *et seq*., also known as the California Private Attorneys General Act ("PAGA"), based on the following alleged actions disputed by Defendant: failure by Defendant to pay all wages due for all hours worked, including, but not limited to, failure to pay minimum wage, straight time and/or overtime; failure to provide meal periods in conformance with the law and failure to keep accurate records of meal periods; failure to provide rest periods in conformance with the law; failure to pay all wages due at termination; failure to provide legally compliant wage statements; and failure to reimburse for necessary business expenses. Plaintiff contends Defendant violated the following California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2699, *et seq*., and 2802, and the applicable IWC Wage Orders. Defendant denies that it violated the law in any way but agreed to enter into a settlement to avoid the cost and disruption of litigation.

As a current or former non-exempt employee who performed work in California for Defendant at any time between December 18, 2023 and August 27, 2025 **("PAGA Period"),** you are covered by this settlement. Per the Court's final judgment in this case, all people covered by the settlement have released any and all claims against Defendant and and its past and present officers, directors, shareholders, owners, current and former managerial employees, agents, representatives, members, attorneys, insurers, re-insurers, assigns, affiliates, successors and predecessors, and/or any other entity alleged to be a joint employer or jointly liable with FJCT **("Released Parties")** for civil penalties under PAGA arising from the alleged violations of Labor Code §§201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2699, *et seq*., and 2802 and the applicable IWC Wage Orders **("Released Claims")**. This means you are not able to pursue a PAGA lawsuit against Defendant or the Released Parties based on such Released Claims. The only individual claims that have been released are those of Plaintiff, no other individual claims are released.

The enclosed check is your share of the settlement. The payment amount was calculated based on the number of pay periods you worked for Defendant as a non-exempt employee during the PAGA Period**.** Because this calculation was approved by the Court, the amount of your payment is final and cannot change. Enclosed with your check is an IRS Form 1099, if applicable. Please note that no taxes were withheld from your payment, so it will be your responsibility to pay any taxes that may be due. You should consult with your own tax accountant with regard to any questions that you may have concerning any taxes that may be due. Further, you are bound by the settlement and release of claims based on the Court's final judgment whether or not you cash or deposit the enclosed check. Please cash or deposit the check on or before its printed void date. Checks will not be reissued after the void date.

If you have any questions or would like more information about the settlement or this lawsuit, you may contact the Settlement Administrator at ________________________________. Please note that the Settlement Administrator cannot provide tax advice.

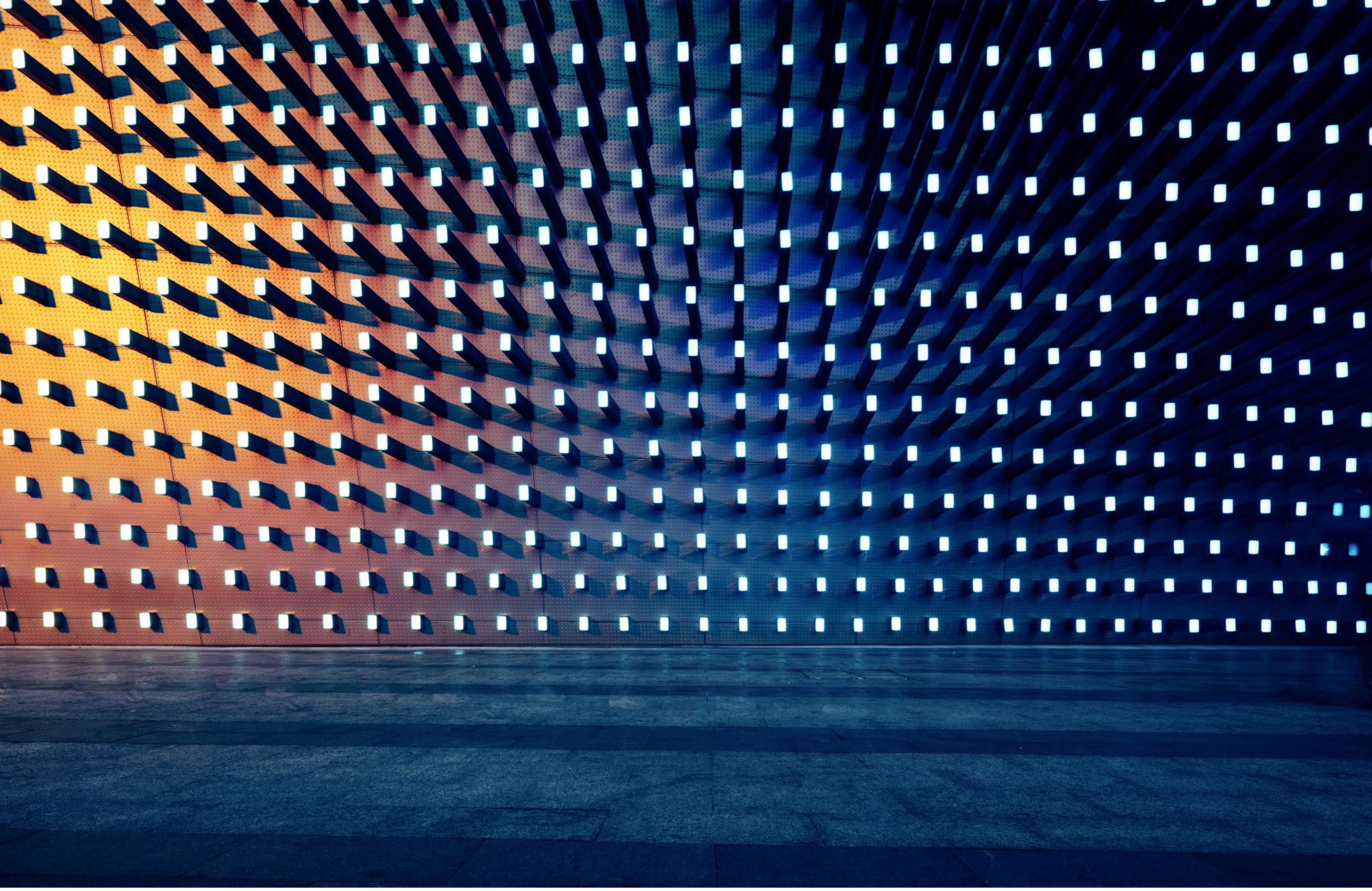
EXHIBIT 2

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

11/8/2024
Accrual Basis

Type	Date	Num	Memo	Amount	Balance
COS					
Mediation Fees					
	6/9/2025	1756	Mediation Fees - Momentum ADR Inc.	$ 9,250.00	$ 9,250.00
Total MEDIATION FEES				$9,250.00	$ 9,250.00
Filing and Services Fees					
	11/26/2024	24214460	Filing Fees - One Legal LLC	$1,504.04	1,504.04
	11/26/2024		Filing Fees - Dept. of Industrial Relations	$75.00	1,579.04
	11/27/2024	24224998	Filing Fees -One Legal LLC	$21.37	1,600.41
	12/02/2024	24240720	Filing Fees -One Legal LLC	$51.63	1,652.04
	12/04/2024	24260928	Filing Fees -One Legal LLC	$21.37	1,673.41
	12/23/2024	24380547	Filing Fees -One Legal LLC	$23.44	1,696.85
	12/23/2024	24380609	Filing Fees -One Legal LLC	$23.44	1,720.29
	02/03/2025	24626700	Filing Fees -One Legal LLC	$23.44	1,743.73
	02/13/2025	24698154	Filing Fees -One Legal LLC	$23.44	1,767.17
	03/03/2025	24826747	Filing Fees -One Legal LLC	$45.12	1,812.29
	03/05/2025	371285	Services Fees -Case Anywhere LLC	$31.11	1,843.40
	03/25/2025	25005709	Filing Fees -One Legal LLC	$23.44	1,866.84
	04/04/2025	383667	Services Fees -Case Anywhere LLC	$66.00	1,932.84
	04/09/2025	25107243	Filing Fees -One Legal LLC	$23.44	1,956.28
	04/15/2025	25155614	Filing Fees -One Legal LLC	$23.44	1,979.72
	05/12/2025	25362083	Filing Fees -One Legal LLC	$23.44	2,003.16
	06/01/2025	395608	Services Fees -Case Anywhere LLC	$80.00	2,083.16
	06/09/2025	25537291	Filing Fees -One Legal LLC	$45.12	2,128.28
	07/01/2025	407606	Services Fees -Case Anywhere LLC	$66.00	2,194.28
	07/01/2025	419878	Services Fees -Case Anywhere LLC	$80.00	2,274.28
	07/23/2025	CC073125TA- 3136	Filing Fees -One Legal LLC	$23.44	2,297.72
	07/28/2025	CC073125TA- 3169	Filing Fees -One Legal LLC	$45.12	2,342.84
	08/01/2025	CC083125TA- 1472	Filing Fees -One Legal LLC	$23.44	2,366.28
	08/04/2025	432446	Services Fees -Case Anywhere LLC	$101.00	2,467.28
	08/15/2025	CC083125TA- 1653	Filing Fees -One Legal LLC	$23.44	2,490.72
	09/02/2025	444909	Services Fees -Case Anywhere LLC	$73.00	2,563.72
Total FILING AND SERVICE FEES				$2,563.72	2,563.72
Other Costs					
	11/26/2024	E-3240485	Postage	$8.16	8.16
	11/26/2024	E-3240422	Postage	$8.44	16.60
	11/26/2024	E-3240421	Postage	$8.44	25.04
	11/26/2024	E-3240419	Postage	$8.16	33.20
	12/18/2024	E-3244293	Postage	$8.16	41.36
	12/18/2024	E-3244270	Postage	$8.16	49.52
Total OTHER COSTS				$49.52	49.52
TOTAL				**$11,863.24**	**11,863.24**

EXHIBIT 3



ELM Solutions

2022 Real Rate Report®

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

Wolters Kluwer

wolterskluwer.com

Table of Contents - 2022 Real Rate Report

Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors[1] that drive rates[2]:

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

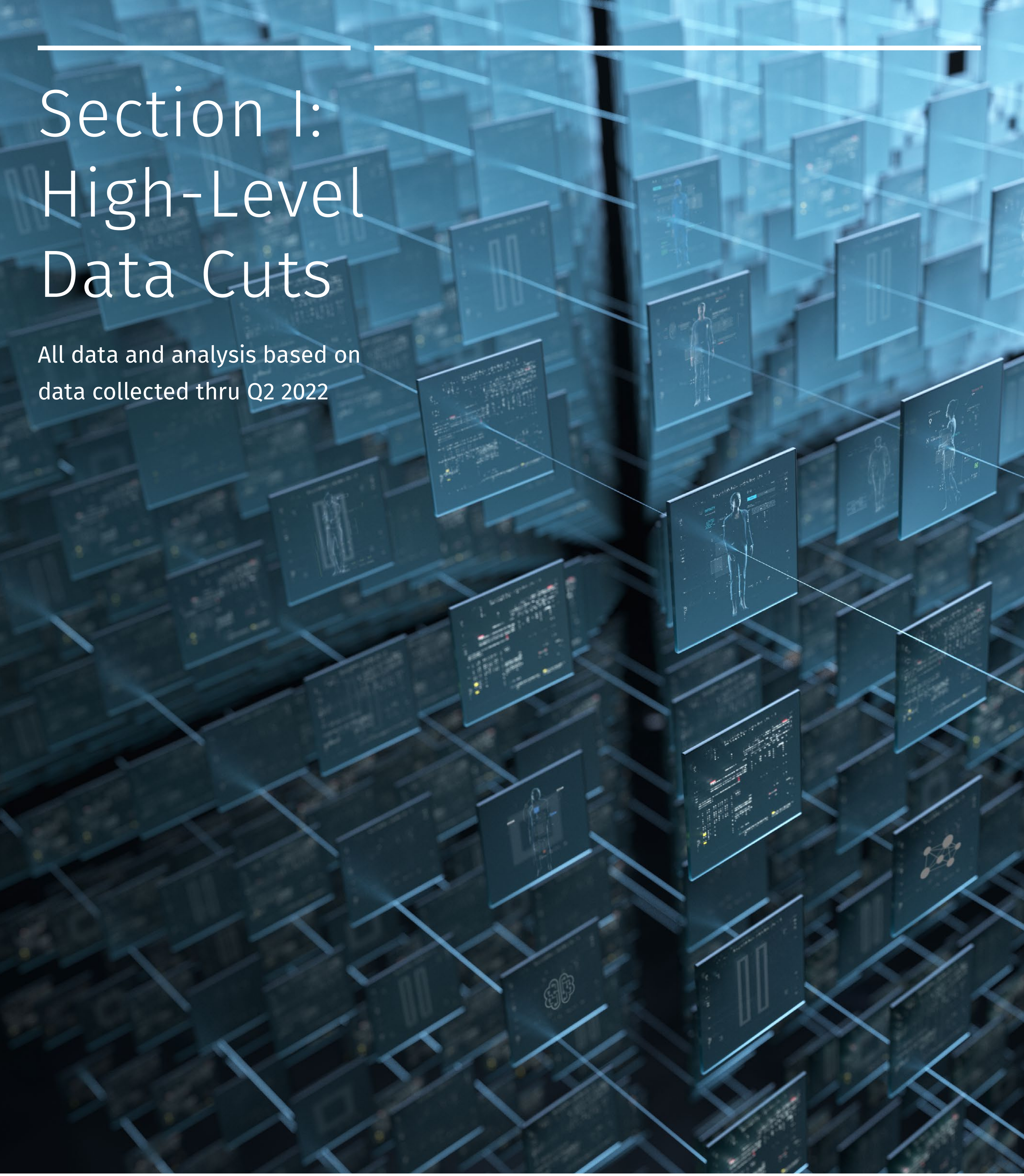
Litigation complexity - The cost of representation will be higher if the case is particularly complex or time-consuming; for example, if there are a large number of documents to review, many witnesses to depose, and numerous procedural steps, the case is likely to cost more (regardless of other factors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

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

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

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

1 **David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from:** https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html
2 **Source: 2018 RRR.** Factor order validated in multiple analyses since 2010



Section I: High-Level Data Cuts

All data and analysis based on data collected thru Q2 2022

2022 - Real Rates for Associate and Partner — **Trend Analysis - Mean**

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

Section I: High-Level Data Cuts

Cities
By Matter Type

2022 - Real Rates for Associate and Partner — **Trend Analysis - Mean**

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

Section I: High-Level Data Cuts

Cities
By Matter Type

2022 - Real Rates for Associate and Partner | **Trend Analysis - Mean**

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner **Trend Analysis - Mean**

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate — **Trend Analysis - Mean**

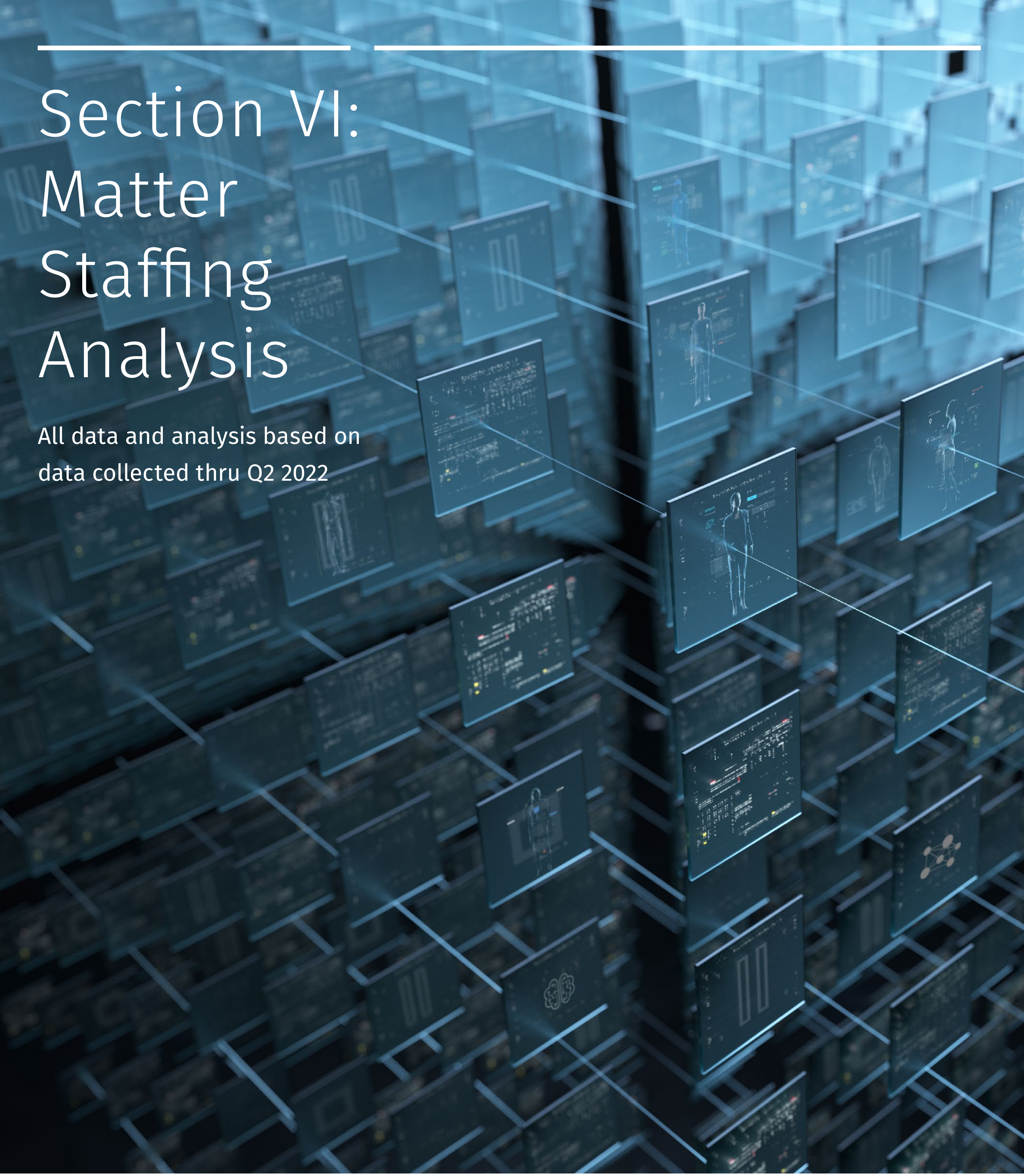
City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	3 to Fewer Than 7 Years	15	$270	$325	$360	$318	$295	$283
	7 or More Years	28	$292	$334	$391	$333	$312	$302
Los Angeles CA	Fewer Than 3 Years	63	$429	$595	$654	$556	$524	$488
	3 to Fewer Than 7 Years	144	$486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

Section I: High-Level Data Cuts

Cities
By Years of Experience

2022 - Real Rates for Partner **Trend Analysis - Mean**

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



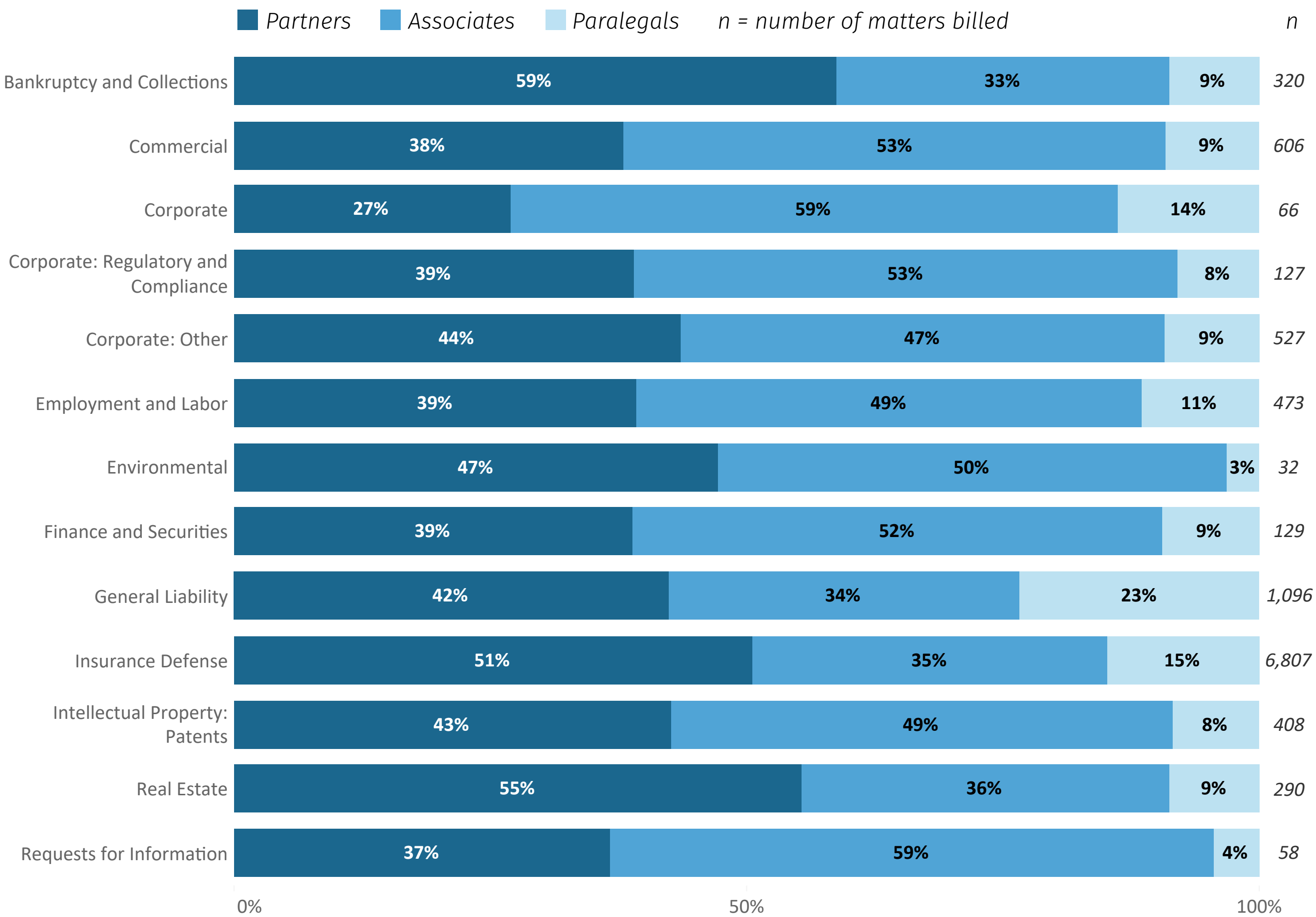
Section VI: Matter Staffing Analysis

All data and analysis based on data collected thru Q2 2022

Section VI: Matter Staffing Analysis

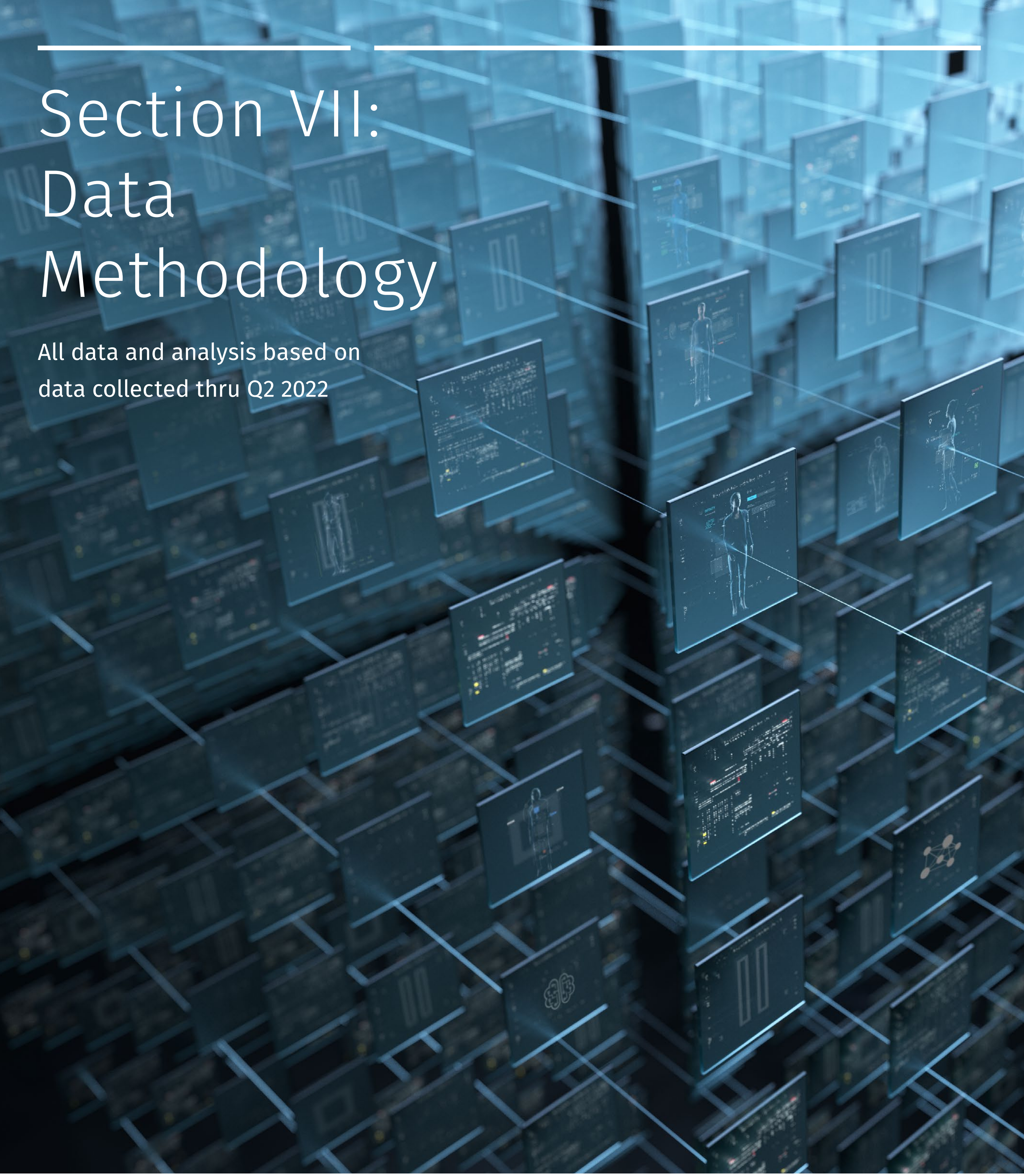
Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on data collected thru Q2 2022



Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections
General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate[1]

Antitrust and Competition
Corporate Development
General/Other
Governance
Information and Technology
Mergers, Acquisitions, and Divestitures
Partnerships and Joint Ventures
Regulatory and Compliance
Tax
Treasury
White Collar/Fraud/Abuse

Employment and Labor

ADA
Agreements
Compensation and Benefits
Discrimination, Retaliation, and Harassment/EEO
Employee Dishonesty/Misconduct
ERISA
General/Other
Immigration
Union Relations and Negotiations/NLRB
Wages, Tips, and Overtime
Wrongful Termination

Environmental

General/Other
Health and Safety
Superfund
Waste/Remediation

Finance and Securities

Commercial Loans and Financing
Debt/Equity Offerings
Fiduciary Services
General/Other
Investments and Other Financial Instruments
Loans and Financing
SEC Filings and Financial Reporting
Securities and Banking Regulations

General Liability

Asbestos/Mesothelioma
Auto and Transportation
Consumer Related Claims
Crime, Dishonesty and Fraud
General/Other
Personal Injury/Wrongful Death
Premises
Product and Product Liability
Property Damage
Toxic Tort

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

EXHIBIT 4

Business & Practice

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

By Roy Strom

Column
June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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

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

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

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

Documents

Trustee's Objection

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
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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

EXHIBIT 5

PHOENIX
CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS	
Aggrieved Members	145
Opt Out Rate	N/A
Opt Outs Received	
Total Aggrieved Claimants	145
Subtotal Admin Only	**$3,500.00**
Not-to-Exceed Total	**$3,500.00**

For 145 Aggrieved Members

Pricing Good for Scope of Estimate Only

October 1, 2025

Case: FJCT Acquisition, LLC PAGA Administration wTranslation

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

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

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
Estimate is based on **145** Agreevied Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of $150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Manager	$125.00	1	$125.00
Programming Database & Setup	$125.00	1	$125.00
Toll Free Setup*	$30.27	1	$30.27
Call Center & Long Distance	$1.95	26	$50.70
NCOA (USPS)	$40.00	1	$40.00
Language Translation	$250.00	1	$250.00
		Total	**$620.97**

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Check & Postage			
Project Action	**Rate**	**Hours/Units**	**Line Item Estimate**
Notice Packet Formatting	$125.00	2	$250.00
Data Merge & Duplication Scrub	$0.35	145	$50.75
Notice and Check Packet	$1.25	145	$181.25
Estimated Postage (up to 1 oz.)*	$0.74	145	$107.30
		Total	**$589.30**

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

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$50.00	2	$100.00
Skip Tracing Undeliverables	$0.65	7	$4.71
Remail Notice Packets	$0.90	7	$6.53
Estimated Postage	$0.74	7	$5.37
Programming Undeliverables	$50.00	2	$100.00
		Total	**$216.60**

Database Programming			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Claims Database	$125.00	1	$125.00
Case Manager	$85.00	1	$85.00
		Total	**$210.00**

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Calculations	$125.00	1	$125.00
Disbursement Review	$125.00	1	$125.00
Programming Manager	$95.00	1	$95.00
QSF Bank Account & EIN	$125.00	1	$125.00
Check Run Setup & Printing	$125.00	1	$125.00
		Total	**$595.00**

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

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Supervisor	$125.00	1	$125.00
Remail Undeliverable Checks (Postage Included)	$1.25	15	$18.13
Case Associate	$55.00	1	$55.00
Reconcile Uncashed Checks	$85.00	2	$170.00
Conclusion Reports	$125.00	2	$250.00
Case Manager Conclusion	$75.00	2	$150.00
Final Reporting & Declarations	$125.00	1	$125.00
QSF Annual Tax Reporting * (State Tax Reporting Included)	$375.00	1	$375.00
		Total	**$1,268.13**

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

Estimate Total: **$3,500.00**

TERMS AND CONDITIONS

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

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

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

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

Tax Reporting Requirements

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

1. Defendant's California State ID and Federal EIN.

2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.

3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.

4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.

5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.