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*Attorneys for Plaintiff Jon Wood*

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

JON WOOD, *et al.*

Plaintiff,

v.

2018HMO LLC DBA HIKEI MODERN  
CANNABIS, *et al.*

Defendants.

Case No. 37-2021-00053035-CU-OE-CTL

*Hon. Carolyn Caietti*  
*Dept. 70*

**CLASS ACTION**

**Declaration of Rick A. Waltman in support of  
Motions for (1) Final Approval of Class Action  
Settlement and (2) Attorneys' Fees and Costs**

Motion for Final Approval/Attorneys' Fees

Date: April 14, 2023

Time: 10:30 A.M.

Action Filed: December 20, 2021

1 I, Rick A. Waltman, declare as follows:

2 1. I am counsel of record for the plaintiff in this action, Jon Wood, Principal of Rick  
3 Waltman Law, APC, and Of Counsel for Ferraro Vega Employment Lawyers, Inc.

4 2. I am an attorney licensed to practice law in the State of California and in the State of  
5 Minnesota.

6 3. I submit this declaration in support of two pending motions: (a) Plaintiff's Motion for  
7 Final Approval of Class Action Settlement, and (b) Plaintiff's Motion for Attorneys' Fees and Costs.  
8 If called as a witness, I would testify honestly to the below facts based on my personal knowledge.  
9 Attached to this declaration are true and correct copies of the following documents:

- 10 a. Exhibit 1 – Joint Stipulation and Settlement Agreement
- 11 b. Exhibit 2 – Confirmation of Settlement Submission to LWDA
- 12 c. Exhibit 3 – Laffey Matrix
- 13 d. Exhibit 4 – 2014 National Law Journal Survey of Hourly Billing Rates
- 14 e. Exhibit 5 – PAGA Notice

### 15 **Background**

16 4. ***The Parties.*** Jon Wood worked as a delivery driver for Defendants 2018HMO LLC  
17 dba Hikei Modern Cannabis, 2018HMPF LLC, and Aaron Magana (together "Hikei" or  
18 "Defendants") in 2021. Defendants run a marijuana dispensary in San Diego, California.

19 5. ***The Class.*** There are 188 Class Members who worked an estimated 8,856 workweeks  
20 during the class period.

21 6. ***The Dispute.*** Plaintiff alleged a number of wage and hour claims against Hikei,  
22 including failure to provide meal and rest breaks, failure to reimburse for necessary business  
23 expenses, failure to pay all wages, and derivative Labor Code claims. Over the course of the  
24 litigation, Hikei's central arguments to those claims included the following: employees who recorded  
25 hours were paid for such time; employees were afforded the opportunity to take meal and rest breaks;  
26 meal and rest period policies were facially compliant; employees were paid for any meal or rest  
27 breaks they reported they were unable to take; employees were not required to use their cell phones to  
28 report their time; and any noncompliance was not willful or intentional.

1           7.       ***Summary of the Investigation, Litigation, and Informal Discovery.*** Plaintiff sought  
2 legal advice and counsel regarding employment and payroll issues he and his coworkers experienced  
3 working for Defendants. As part of that process, Ferraro Vega Employment Lawyer's, Inc. sent  
4 Hikei a statutory records request under Labor Code sections 226, 432, and 1198.5 to obtain Plaintiff's  
5 employment, payroll, and personnel records. Upon receipt of the records, counsel, in conjunction  
6 with Plaintiff, conducted a thorough investigation regarding the putative claims, including  
7 interviewing Plaintiff, reviewing policies and employment records, accessing publicly available  
8 information about Hikei, searching the LWDA website, Pacer, and state court dockets for any related  
9 cases, and conducting legal research and analysis.

10           8.       On December 14, 2021, counsel, on behalf of Plaintiff, electronically filed a Notice of  
11 Labor Code Violations with the LWDA and sent it by certified mail to Defendants. A true and correct  
12 copy of the PAGA Notice is attached hereto as Exhibit 5 (PAGA Notice).

13           9.       During the early stages of litigation, my office and Ferraro Vega Employment  
14 Lawyers, Inc. conferred with Hikei's counsel to assess the claims and prospective defenses. We  
15 ultimately agreed to structure litigation in a manner where the parties would exchange data and  
16 documents in an attempt to resolve the case on a class action basis at mediation. We set a mediation  
17 date with defense counsel for May 24, 2022 with Hon. Joan M. Lewis (Ret.), who is a former judge  
18 and an experienced and respected mediator of wage and hour class actions.

19           10.      As a condition of mediation, we requested (and received) all relevant employment and  
20 payroll policies and procedures for the class period, wage statements, pay data, and time entry records  
21 for 45 employees, an approximately 23.5 percent sampling of the then estimated Class of 192  
22 individuals for the four-year class period. We also received additional documents relating to  
23 Plaintiff's employment; Plaintiff's complete personnel file, time, and pay data; additional documents  
24 provided by Hikei that they argued supported their defenses; and data points regarding total  
25 employees, total weeks worked, total pay periods, and rates of pay (among other information) for  
26 individuals in the class (subject to a four-year statute of limitation) and the PAGA group of aggrieved  
27 employees (subject to a one-year statute of limitation). To allow for a full review and analysis of the  
28

1 data and documents, we requested the data and documents no later than 30 days before the scheduled  
2 mediation date.

3 11. Plaintiff's financial data expert analyzed the class sampling data and documents and  
4 generated damage exposure models in advance of mediation. The models were then used to help  
5 determine the employee wages and penalties at issue in the litigation to guide negotiations and  
6 discussions at mediation.

7 12. **Mediation.** Mediation was held on May 24, 2022 with Hon. Joan M. Lewis (Ret.), and  
8 lasted into the evening. The parties strongly contested key issues and each other's' damages models,  
9 and were not able to come to settlement terms on the date of mediation.

10 13. **Settlement.** In the three months following mediation, counsel for the parties worked  
11 diligently to come to settlement terms. The parties ultimately came to an agreement in principle in  
12 August 2022, and worked together to draft and execute a long-form "Class Action and PAGA  
13 Settlement Agreement and Class Notice" ("Settlement" or "Settlement Agreement"), a true and  
14 correct copy of which is attached in full as Exhibit 1 to this declaration.

15 14. On November 7, 2022, my office electronically filed a copy of the settlement  
16 agreement with the LWDA. A true and correct copy of the confirmation notice from the LWDA is  
17 attached hereto as Exhibit 2.

18 15. A true and correct copy of the Class Notice Form is attached as Exhibit A to the  
19 Declaration of Jarrod Salinas (Settlement Administrator). This notice was mailed to each class  
20 member in accordance with the notice procedures of the Settlement Agreement.

21 **The Proposed Settlement**

22 16. The resolution reached after mediation and months of settlement discussions is  
23 memorialized in the "Class Action and PAGA Settlement Agreement and Class Notice" attached  
24 hereto as Exhibit 1 and referred to as the "Settlement."

25 17. The estimated Net Settlement Amount is calculated as follows:

26	Gross Settlement Amount:	\$350,000
27	Settlement Administration Costs (minus)	\$8,950.00
28	Service Payment to Plaintiff (minus)	\$12,500

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Attorneys' Fees (minus)	\$116,666.67
Costs (minus) (itemized in paragraph 20)	\$12,147.50
<u>LWDA Payment</u>	<u>\$12,000</u>
Net Settlement Amount	\$187,735.83

18. The Class Members averaged approximately 47 weeks of paid work with the company (8,856 workweeks / 188 class members) during the class period. The highest amount calculated to be paid to any individual class member as reported by the Settlement Administrator is \$4,107.91, and the average Individual Settlement Share is approximately \$977.32. Declaration of Jarrod Salinas ("Salinas Decl."), ¶ 13.

16. After all Court-approved deductions from the GSA, the remaining sum, the "Net Settlement Amount" will be distributed to Participating Class Members (those Class Members have not opted-out). Submission of a claim form is not required.

#### **Hours Expended**

19. Throughout this litigation, my office and Ferraro Vega Employment Lawyers have efficiently staffed and litigated this case. Below is a true and correct table of the hours expended in the prosecution of this action:

Timekeeper	Attorney Years	Rate	Hours	Fees
Nicholas Ferraro	7	\$550	49	\$26,950
Lauren Vega	7	\$550	25	\$13,750
Rick Waltman	7	\$550	68.5	\$37,675
Cass Lazar	Paralegal	\$250	12.25	\$3,062.50
<b><u>TOTAL</u></b>			<b><u>184</u></b>	<b><u>\$81,437.50</u></b>

#### **Costs Incurred**

20. Moreover, Ferraro Vega Employment Lawyers incurred the following actual costs on behalf of the Class, which are reimbursable under the Settlement:

Litigation Costs	Fees
Filing Fees	\$1,719.66
Expert Witness Fees and Analysis	\$2,950.00
Postage	\$42.84
LWDA Notice	\$75.00
Mediation Fees	\$6,410.00
Other Costs	\$50.00

Service Fees	\$600.00
Personal Service & Courtesy Copy Delivery of Final App. Motion (est.)	\$150.00
Remaining Filing Fees (est.)	\$150.00
<b><u>TOTAL</u></b>	<b><u>\$12,147.50</u></b>

### **Service Award to Plaintiff**

23. The Settlement provides for a Service Award of up to \$12,500 for Plaintiff to recognize his substantial effort, risk, and initiative in assisting with the prosecution and resolution of this case. The Service accounts for a tiny fraction of the Gross Settlement Amount, and a reasonable proportion of what other Class Members will receive. Plaintiff was dedicated and invested considerable time and effort assisting his attorneys with the prosecution of the action. His steadfast contributions in light of the risks and stresses of the case litigation should be acknowledged.

### **Experience & Adequacy of Counsel**

19. Wage and hour representative actions are a primary focus of my legal practice, currently and throughout my career.

20. I currently serve, and have served, as counsel of record in many wage and hour class and PAGA actions on behalf of employees, including in the following cases: *Freeze v. MHX, LLC, et al.* (San Bernardino Superior Court, Case No. CIVSSB22115547); *Reyes v. Parkside Lending, LLC* (San Diego Superior Court, Case No. 37-2022-00022628-CU-OE-CTL); *Perez v. The Geo Group Inc., et al.* (San Diego Superior Court, 37-2021-00000670-CU-OE-CTL); *Maldonado v. Biggies USA LLC* (San Diego Superior Court, Case No. 37-2022-00041961); *Brendena Kyles, et al. v. Bad Axe Throwing USA, Inc.* (San Diego Superior Court, Case No. 37-2022-00048041-CU-OE-CTL); *Solorio v. North Coast Cardiology, Inc.* (San Diego Superior Court, Case No. 37-2022-00014077-CU-WT-CTL); *Kotz v. Daryl Griffis Acoustics, Inc.* (San Diego Superior Court, 37-2022-00001611-CU-OE-CTL); *Hasten v. Skane Tax Solutions, LLC* (San Diego Superior Court, Case No. 37-2021-00034241-CU-WT-CTL); *Vazquez v. Sales Partnerships, Incorporated* (Riverside Superior Court, Case No. CVRI 2102062); *Palacios v. Composite Horizons, LLC, et al.* (Los Angeles Superior Court, Case No. 22STCV23807)

21. I have also served as counsel of record and/or advisory counsel defending employers in class and PAGA wage and hour actions, such as in the following: *Garcia v. The Bay Clubs Company,*

1 *LLC* (San Diego Superior Court, 37-2018-00029247-CU-OE-CTL); *Luu v. The Patio Restaurant*  
2 *Group, LLC*, et al. (San Diego Superior Court, 37-2019-0001545-CU-OE-CTL; *Orozco v. Davis*  
3 *Development Company, Inc.* (San Bernardino County Superior Court, CIVDS1828821); *Petrelli v.*  
4 *Bakkavor Foods USA, Inc., et al.* (LA Superior Court, BC595726); *McCabe v. Portfolio Hotels LLC*  
5 (San Diego Superior Court, 37-2016-00034518-CU-OE-CTL); *De Lara v. Priority Workforce, Inc., et*  
6 *al.* (Los Angeles Superior Court, BC663894); *Figueroa v. Bakkavor Foods USA, Inc.* (LA Superior  
7 Court, BC595726); *In re MobileOne Wage and Hour Cases* (San Mateo County Superior Court, JCCP  
8 5039); *Meir v. Mainfreight, Inc.* (Los Angeles Superior Court, 19STCV04465).

9 22. I am a graduate of the University of San Diego School of Law, where I was an editor  
10 on the San Diego Law Review, a recipient of a Dean's Honor Scholarship, and a *cum laude* graduate.  
11 During law school, I interned for multiple sections of the California Department of Justice, Office of  
12 the Attorney General, including in the Employment and Administrative Mandate Section. I also had  
13 the privilege of serving as a legal extern for the Hon. Thomas J. Whelan of the U.S District Court for  
14 the Southern District of California, and as a research assistant to Professor Robert C. Fellmeth.

15 23. I was admitted to the State Bar of California in 2015, and thereafter began practicing  
16 with the Labor and Employment section of Gordon Rees Scully Mansukhani's (Gordon & Rees) San  
17 Diego office. While at this firm I was primarily staffed on employment litigation and counseling  
18 matters helping small and large employers with wage and hour actions, including class and  
19 representative actions, and discrimination disputes. I was often the only associate staffed on  
20 individual, multi-plaintiff, and class action and PAGA employment matters. My experience included  
21 drafting motions to dismiss and motions for summary judgment; removing cases to federal court;  
22 drafting and responding to class discovery; meeting and conferring with opposing counsel on  
23 discovery disputes; investigating the allegations asserted in wage and hour class action complaints;  
24 deposing putative class members and witnesses in connection with class certification; interviewing  
25 and obtaining declarations in connection with class certification; drafting oppositions to motions for  
26 class certification; preparing damage models to assess class liability exposure for asserted wage and  
27 hour claims; preparing mediation briefs for class and PAGA mediation; evaluating expert witness  
28

1 opinion reports in preparation for mediation, arbitration, and trial; and conferring with opposing  
2 counsel on settlement agreements.

3 24. In September 2018, I voluntarily resigned from Gordon Rees to accept an associate  
4 attorney position with the employment group of Buchalter, APC at its downtown San Diego office. I  
5 received training, experience, and trust to handle virtually all aspects of litigation, from case  
6 investigation and evaluation to responsive pleadings, discovery, depositions, mediations, and motions  
7 for summary judgment. Moreover, I was entrusted with holding in-person and webinar training  
8 sessions for employers and their workforce.

9 25. In October 2020, I voluntarily resigned from Buchalter to start my own practice with  
10 Rick Waltman Law, APC. Currently, about 60 percent of my practice is dedicated exclusively to  
11 prosecuting wage and hour class and representative actions under the California Labor Code,  
12 California Private Attorneys General Act, California Business and Professions Code, and/or the Fair  
13 Labor Standards Act. The other 40 percent of my firm's practice is dedicated to individual claims  
14 involving unpaid wages, wrongful termination, discrimination, harassment, and retaliation claims  
15 arising under the California Fair Employment and Housing Act, California Labor Code, and common  
16 law.

17 26. I have had articles published in various written and online publications, including JD  
18 Supra, Los Angeles Daily Journal, multiple law review journals, and in client alerts and newsletters. I  
19 have been asked to speak on wage and hour and employment law issues for firm-sponsored events,  
20 defense litigation panels, Lorman Education Services, and other litigation support groups.

21 27. For the years of 2018, 2019, 2022, and 2023, Thomson Reuters' Super Lawyers service  
22 has named me a "Rising Star" in the field of Labor and Employment Law and Class Actions, based on  
23 my experience in employment cases similar to this one. I have also been given the "Elite Lawyer"  
24 award for 2022 and 2023, an award that recognizes exceptional attorneys throughout the United States  
25 in their practice areas.

26 28. My co-counsel, Nicholas Ferraro and Lauren N. Vega, also have substantial experience  
27 in handling class actions and other complex litigation as both employment defense and Plaintiffs'  
28 lawyers in cases like this one. Ferraro Vega Employment Lawyers, Inc.'s practice focuses exclusively



1 on wage and hour class and representative litigation. Mr. Ferraro and Ms. Vega both have  
2 backgrounds defending employers in wage and hour class actions at large law firms, and both have  
3 represented Plaintiffs and classes in dozens of wage and hour class actions since starting Ferraro Vega  
4 Employment Lawyers, Inc.

5 **Concluding Statements**

6 24. In sum, I believe that the settlement in this case is fair, reasonable, and in the best  
7 interests of the class in light of the monetary recovery, challenges of the case, recent developments in  
8 wage and hour law, the risks of certification and decertification, adverse summary adjudication  
9 rulings, and the lengthy process of establishing damages, and potential appeals. The resolution  
10 presented an excellent opportunity for the class to obtain a robust and substantial settlement of  
11 \$350,000, which should be approved. The settlement was reached only after extensive evaluation  
12 and review of Hikei's records, including an expert wage and hour analysis. The case was litigated  
13 efficiently and effectively by Class Counsel without encumbering the court with motion work or  
14 conferences. The lack of any Class Member objections supports the quality of the Settlement, along  
15 with the requested attorneys' fees and costs.

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

18 Dated: March 20, 2023

19 ***Ferraro Vega Employment Lawyers, Inc./***  
20 ***Rick Waltman Law, APC***

21 

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23 \_\_\_\_\_  
24 Rick A. Waltman  
25 *Attorney for Plaintiff Jon Wood*  
26  
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# EXHIBIT 1

# CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Jon Wood (“Plaintiff”) and defendants 2018HMO LLC dba Hikei Modern Cannabis, Aaron Magana, and 2018HMPF LLC (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

## 1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Jon Wood v. 2018 HMO LLC dba Hikei Modern Cannabis; 2018HMPF LLC; Aaron Magana; and Michael Stratman, et. al.* initiated on December 20, 2021 and pending in Superior Court of the State of California, County of San Diego (case no. 37-2021-00053035-CU-OE-CTL).
- 1.2. “Administrator” means Phoenix Settlement Administrators, 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 Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendants or Defendants’ Affiliated or Related Entities in California and classified as hourly non-exempt who worked for Defendants or Defendants’ Affiliated or Related Entities during the PAGA Period.
- 1.5. “Class” means all persons employed by Defendants or Defendants’ Affiliated or Related Entities in California and classified as hourly non-exempt who worked for Defendants or Defendants’ Affiliated or Related Entities during the Class Period.
- 1.6. “Class Counsel” means Nicholas J. Ferraro of Ferraro Vega Employment Lawyers, Inc. and Rick A. Waltman of Rick Waltman Law, APC. .
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in the possession of Defendants or Defendants’ Affiliated or Related Entities including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from December 20, 2017 through September 27, 2022 or the date of Preliminary Approval, whichever is earlier.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of San Diego.
- 1.16. “Defendants or Defendants’ Affiliated or Related Entities” means Defendant 2018HMO LLC dba Hikei Modern Cannabis, 2018HMPF LLC, Aaron Magana, and FTruck1, LLC.
- 1.17. “Defense Counsel” means Guillermo Escobedo, Lara Besser, and Bayan Salehi of Jackson Lewis P.C.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.22. “Gross Settlement Amount” means THREE HUNDRED AND FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$350,000.00) which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and the Administrator’s Expenses.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employees’ pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants or Defendants’ Affiliated or Related Entities for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from December 14, 2020 through September 27, 2022 or the date of Preliminary Approval, whichever is earlier.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.)
- 1.33. “PAGA Notice” means Plaintiff’s December 14, 2021 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$4,000) and the 75% to LWDA (\$12,000) in settlement of PAGA claims.

- 1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement
- 1.36. "Plaintiff" means Jon Wood, the named plaintiff in the Action.
- 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.41. "Released Parties" means: Defendants or Defendants' Affiliated or Related Entities and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates, including Aaron Magagna and Laura Magagna.
- 1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. "Workweek" means any week during which a Class Member worked for Defendants or Defendants' Affiliated or Related Entities for at least one day, during the Class Period.

## **2. RECITALS.**

- 2.1. On December 20, 2021, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for (1) failure to pay all minimum wages; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) untimely payment of wages; (6) wage statement violations; (7) waiting time penalties; (8) failure to reimburse business expenses; (9) failure to provide records; and (10) violations of the unfair competition law. On February 17, 2022, Plaintiff filed a First Amended Complaint alleging causes of action against Defendants for (1) failure

to pay all minimum wages; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) untimely payment of wages; (6) wage statement violations; (7) waiting time penalties; (8) failure to reimburse business expenses; (9) failure to provide records; (10) violations of the unfair competition law; and (11)-(20) civil penalties under the PAGA. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”) Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On May 24, 2022, the Parties participated in an all-day mediation presided over by the Honorable Joan M. Lewis which led to this Agreement to settle the Action. The Parties did not settle the case at mediation. However, within the month following mediation, the Parties were able to reach a proposed class action settlement.
- 2.4. Prior to mediation and negotiating the Settlement, Plaintiff obtained, through informal discovery, documents and information responsive to Plaintiff’s claims in the Operative Complaint with respect to all Class Members. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

### **3. MONETARY TERMS.**

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendants promise to pay THREE HUNDRED AND FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$350,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

- 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$12,500 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one third of the Gross Settlement Amount, which is currently estimated to be \$116,666.67 and a Class Counsel Litigation Expenses Payment of not more than \$25,000. Defendants will not oppose requests for these payments provided they do not exceed these amounts. Plaintiff and/or Class Counsel will include an application for attorneys' fees in their final approval motion or file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$12,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$12,500, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 3.2.4.1. Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be



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

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$16,000 to be paid from the Gross Settlement Amount, with 75% (\$12,000 ) allocated to the LWDA PAGA Payment and 25% (\$4,000) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties (\$4,000) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records through March 28, 2022, Defendants estimate there were 192 Class Members who collectively worked a total of 7,896 Workweeks, and 149 Aggrieved Employees who worked a total of 2,559 PAGA Pay Periods.

4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying

information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator in Installment Payments as follows: (1) no later than 30 days after the Effective Date, Defendants shall fund the first installment of the Gross Settlement Amount of \$40,000; (2) by June 29, 2023, Defendants shall fund the second installment of the Gross Settlement Amount, which amounts to \$76,666.67; (3) by December 29, 2023, Defendants shall fund the third installment of the Gross Settlement Amount, which amounts to \$116,666.67; and (4) on June 29, 2024, Defendants shall fund the fourth and final installment of the Gross Settlement Amount, which amounts to \$116,666.67, plus the amounts necessary to fully pay Defendants' share of payroll taxes. If the date by which the installment payments are to be made falls on a Saturday, Sunday, or legal holiday in the State of California, then the date said payment shall be made the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

4.4. Payments from the Gross Settlement Amount. The Administrator will disburse the Gross Settlement Amount in phases as follows: (1) within 30 days after the Effective Date, the Administrator will mail checks to disburse the following expenses in order of priority: Administration Expenses Payment, Class Representative Service Payment, and the Class Counsel Litigation Expenses Payment, in the amounts that have been approved by the Court; (2) within 14 days of each subsequent installment payment, the Administrator will disburse funds to satisfy each obligation according to the following priority: (i) any outstanding balance owed as to the expenses set forth in the foregoing section 4.4(1); (ii) the LWDA PAGA Payment and (iii) Class Counsel Fee Payment. Once the foregoing payments are satisfied, the Administrator will hold all received funds in trust pending funding of the fourth installment payment and, no later than on August 1, 2024, the Administrator will mail checks containing the Individual Class Payments and Individual PAGA Payments.

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

Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds to the San Diego County Bar Foundation, a nonprofit foundation consistent with Code of Civil Procedure Section 384, subd. (b) ("Cy Pres Recipient"). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

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

- 5.1. Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under 5.2, below. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2. Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged in the Operative Complaint or could have been ascertained in the course of the Action. This includes but is not limited to claims for: failure to pay all regular and minimum wages; failure to pay all overtime wages; failure to provide meal periods; failure to provide rest periods; untimely payment of wages; failure to pay wages due at termination; failure to provide itemized wage statements; failure to pay employees twice a month; waiting time penalties; failure to reimburse business expenses; failure to provide records; violations of Business and Professions Code section 17200, et seq.; PAGA claims for civil penalties due to the alleged Labor Code violations and by Defendants during the Class Period including California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 432, 510, 512, 516, 558, 1174, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2802 and 2698 *et seq.*, IWC Wage Order 4-2001; Cal. Code of Regulations sections 11040(11) and (12); penalties that could have arisen out of the facts alleged in the Complaint or First Amended Complaint, including waiting time penalties, wage statement penalties, and breaks penalties; interest; attorneys' fees and costs; and any other claims arising out of or related to the Complaint and the First Amended Complaint, from December 20, 2017 through the date of Preliminary Approval. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, and could have been ascertained in the course of the Action including: (a) any and all claims involving any alleged failure to pay all regular and minimum wages; (b) any and all claims involving any alleged failure to pay all overtime wages; (c) any and all claims involving any alleged failure to provide meal periods; (d) any and all claims involving any alleged failure to provide rest periods; (e) any and all claims involving any alleged untimely payment of wages; (f) any and all claims involving any

alleged failure to pay wages due at termination; (g) any and all claims involving any alleged failure to provide itemized wage statements; (h) any and all claims involving any alleged failure to pay employees twice a month; (i) any and all claims involving any alleged waiting time penalties; (j) any and all claims involving any alleged failure to reimburse business expenses; (k) any and all claims involving any alleged failure to provide records; and (l) any and all claims involving any alleged violations of Business and Professions Code section 17200, et seq.

6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff shall prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals and obtain all necessary approvals. Plaintiff will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval hearing, and approving the Class Notice. Plaintiff shall be responsible for the timely service and electronic submission of the Settlement Agreement and related filings in the Action.

7. **SETTLEMENT ADMINISTRATION.**

- 7.1 **Selection of Administrator.** The Parties have jointly selected Phoenix Settlement Administrators (“Administrator”) to serve as the Administrator and verified that, as a condition of appointment, Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 **Employer Identification Number.** The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 **Qualified Settlement Fund.** The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4 **Notice to Class Members.**
- 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the

Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

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

7.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5. Requests for Exclusion (Opt-Outs).

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

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

proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

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

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

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

7.7. Objections to Settlement.

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

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

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

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

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

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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

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

7.8.5. Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its



mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendants estimate that, as of the date of this Settlement Agreement, (1) there are 192 Class Members and 7,896 Total Workweeks during the Class period and (2) there were 149 Aggrieved Employees who worked 2,559 Pay Periods during the PAGA Period. If the total number of Workweeks as of March 28, 2022 exceeds the total Workweeks represented by Defendant in Section 4.1 by 5% or more, the Gross Settlement Amount will increase proportionately for each additional workweek over 7,896 for the Class Members and for each additional workweek over 2,559 for the Aggrieved Employees.

9. **DEFENDANTS'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10 % of the total of all Class Members, Defendants may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval").

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

- 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts re-requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment. Should a joint proposed amended judgment not be feasible, the Parties will meet and confer in good faith before filing any motion to amend the judgment.
12. **DEFAULT.** In the event of the failure by Defendants or Aaron Magana to make any or all payments of the Settlement pursuant to the terms herein, Plaintiff shall provide written notice

of the non-payment to each Defendant by first class, registered or certified mail (the “Non-Payment Notice”). The Non-Payment Notice shall be effective upon the date of mailing. If each Defendant is represented by counsel of record in the above captioned matter, Plaintiff shall also email the Non-Payment Notice to such counsel.

Defendants shall have the opportunity to pay the unpaid balance that is the subject of the Non-Payment Notice within fifteen (15) business days from the effective date (the “Grace Period”). If Defendants fails to pay the overdue balance of its payment obligations within fifteen (15) business days from the effective date of the Non-Payment Notice (such failure referred to herein as a “Default”), Plaintiff will be authorized pursue, in his sole discretion, to declare or do any or all of the following:

- A. Declare the entire Gross Settlement Amount, less any payments already made, immediately due and payable, with unpaid amounts bearing the default interest rate at the interest rate set forth in Cal. Code Civ. Proc. § 3289 beginning as of the date of the Court’s Order Granting Final Approval until the payment of the remaining balance is made in full; and/or
- B. Pursue all available remedies to enforce this Agreement. In the event of a Default as described, Defendants agree not to contest any action to enforce the terms of this Agreement or any other collection action undertaken by Plaintiff under this Agreement, or pursuant to law, provided that Defendants may assert any defense that their failure to make payments results from a breach of the Agreement by any other party. If Plaintiff prevails in such action, Defendants agree to pay Plaintiff all reasonable costs of collection and enforcement of this Agreement, including attorney’s attorneys’ fees, expenses and court costs.

13. **PERSONAL GUARANTY.** For and in consideration of execution of this Agreement, the undersigned Defendants and individual, specifically Aaron Magana, personally guarantee any and all obligations under this Agreement, including but not limited to payment of all amounts, costs, attorneys’ fees, expenses, class representative award, interest, and any other amounts which may now or at any time in the future be owed to Plaintiff, Plaintiff’s counsel, Class Members, Aggrieved Employees, and the Administrator.

14. **ADDITIONAL PROVISIONS.**

- 14.1. No Admission of Liability, Class Certification 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants’ defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class

certification on any grounds available and to contest Defendants' 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 the Settlement and this Agreement).

- 14.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not re-strict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 14.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to re-strict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 14.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 14.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, 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.
- 14.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement

the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 14.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 14.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 14.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 14.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 14.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 14.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 14.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 14.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the re-turn, rather than the destructions, of Class Data.
- 14.15. 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.

14.16. 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.

14.17. 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: Nicholas J. Ferraro, Ferraro Vega Employment Lawyers, 3160 Camino Del Rio South Suite 308 San Diego, CA 92108; Rick A. Waltman, Rick Waltman Law, 501 W. Broadway Suite 800 San Diego, CA 92101.

To Defendants: Guillermo Escobedo, Lara Besser, Bayan Salehi, Jackson Lewis P.C., 225 Broadway Suite 2000 San Diego, CA 92101.

14.18. 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.

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

14.20 Dismissal of Defendant Michael Stratman. Prior to execution by all Parties and their counsel, Plaintiff will dismiss Defendant Michael Stratman from the Action with prejudice.

[signatures on next page]

**SIGNATURES**

Dated: Sep 8, 2022

*Jon Wood*

\_\_\_\_\_  
Plaintiff Jon Wood

Dated: \_\_\_\_\_

\_\_\_\_\_  
Aaron Magagna  
For Defendant 2018HMO LLC

Dated: \_\_\_\_\_

\_\_\_\_\_  
Aaron Magagna  
For Defendant 2018HMPF LLC

Dated: \_\_\_\_\_

\_\_\_\_\_  
Defendant Aaron Magagna

**SIGNATURES**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Plaintiff Jon Wood

Dated: 10/26/2022  
\_\_\_\_\_

\_\_\_\_\_  
*Aaron Magagna*  
Aaron Magagna  
For Defendant 2018HMO LLC

Dated: 10/26/2022  
\_\_\_\_\_

\_\_\_\_\_  
*Aaron Magagna*  
Aaron Magagna  
For Defendant 2018HMPF LLC

Dated: 10/26/2022  
\_\_\_\_\_

\_\_\_\_\_  
*Aaron Magagna*  
Defendant Aaron Magagna



## EXHIBIT A

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

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

**You may be eligible to receive money** from an employee class action lawsuit (“Action”) against 2018HMO LLC dba Hikei Modern Cannabis (“Hikei”) and 2018HMPF LLC for alleged wage and hour violations. The Action was filed by a former Hikei employee Jon Wood (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly non-exempt employees (“Class Members”) who worked for Defendants and Defendants’ Affiliated or Related Entities, including Aaron Magana, and FTruck1 LLC, during the Class Period (December 20, 2017 to September 27, 2022 or the date of Preliminary Approval, whichever is earlier); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for Defendants and Defendants’ Affiliated or Related Entities during the PAGA Period (December 14, 2020 to September 27, 2022 or the date of Preliminary Approval, whichever is earlier) (“Aggrieved Employees”).

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

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

The above estimates are based on Defendants’ records showing that **you worked [ ] workweeks** during the Class Period and **you worked [ ] workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants. ***If you do nothing, under the terms of the Settlement, your Individual Settlement Check will be mailed on August 1, 2024 to you at the address at which you received this Notice.***
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

**Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.**

#### **SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>You Don't Have to Do Anything to Participate in the Settlement</b>	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
<b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b>  <b>The Opt-out Deadline is [REDACTED]</b>	<p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).</p>
<b>Participating Class Members Can Object to the Class Settlement</b>	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will

<p><b>but not the PAGA Settlement</b></p> <p><b>Written Objections Must be Submitted by [REDACTED]</b></p>	<p>include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.</p>
<p><b>You Can Participate in the [REDACTED] Final Approval Hearing</b></p>	<p>The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>
<p><b>You Can Challenge the Calculation of Your Workweeks/Pay Periods</b></p> <p><b>Written Challenges Must be Submitted by [REDACTED]</b></p>	<p>The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.</p>

## 1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Hikei employee. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Nicholas J. Ferraro of Ferraro Vega and Rick A. Waltman of Rick Waltman Law ("Class Counsel.")

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

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

So far, the Court has made no determination whether Defendants or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to

jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

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

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

- A. Defendants Will Pay \$350,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement in installments over a two-year period after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed. ***Your individual settlement check will be mailed on August 1, 2024 to the address at which you received this Notice.***
- B. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
- i. Up to \$116,666.66 (one-third of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$25,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
  - ii. Up to \$12,500 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
  - iii. Up to \$12,500 to the Administrator for services administering the Settlement.

- iv. \$16,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

- C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- D. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20 % of each Individual Class Payment to taxable wages (“Wage Portion”) and 80 % to penalties and interest, etc. (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

- E. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with lawful *cy pres* recipient.

If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

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

Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

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

- G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
- H. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
- I. Participating Class Members’ Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, in the Operative Complaint including: failure to pay all regular and minimum wages; failure to pay all overtime wages; failure to provide meal periods; failure to provide rest periods; untimely payment of wages; failure to pay wages due at termination; failure to provide itemized wage statements; failure to pay employees twice a month; waiting time penalties; failure to reimburse business expenses; failure to provide records; violations of Business and Professions Code section 17200, et seq.; PAGA claims for civil penalties due to the alleged Labor Code violations and by Defendants during the Class Period including California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 432, 510, 512, 516, 558, 1174, 1182.12, 1194, 1197, 1197.1,

1198, 1198.5, 1199, 2802 and 2698 *et seq.*, IWC Wage Order 4-2001; Cal. Code of Regulations sections 11040(11) and (12); penalties that could have arisen out of the facts alleged in the Complaint or First Amended Complaint, including waiting time penalties, wage statement penalties, and breaks penalties; interest; attorneys' fees and costs; and any other claims arising out of or related to the Complaint and the First Amended Complaint, from December 20, 2017 through the date of Preliminary Approval. Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

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

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, in the Operative Complaint and the PAGA Notice or ascertained in the course of the Action including any and all claims for: failure to pay all regular and minimum wages; failure to pay all overtime wages; failure to provide meal periods; failure to provide rest periods; untimely payment of wages; failure to pay wages due at termination; failure to provide itemized wage statements; failure to pay employees twice a month; waiting time penalties; failure to reimburse business expenses; failure to provide records; violations of Business and Professions Code section 17200, *et seq.*; PAGA claims for civil penalties due to the alleged Labor Code violations and by Defendants during the Class Period including California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 432, 510, 512, 516, 558, 1174, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2802 and 2698 *et seq.*, IWC Wage Order 4-2001; Cal. Code of Regulations sections 11040(11) and (12); penalties that could have arisen out of the facts alleged in the Complaint or First Amended Complaint, including waiting time penalties, wage statement penalties, and breaks penalties; interest; attorneys' fees and costs; and any other claims arising out of or related to the Complaint and the First Amended Complaint, from December 20, 2017 through the date of Preliminary Approval.

#### **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

- A. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$4,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
- C. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [ ] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

#### **5. HOW WILL I GET PAID?**

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

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



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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Jon Wood v. Hikei Modern Cannabis, et al.* (San Diego Superior Court Case no. 37-2021-00053035-CU-OE-CTL), and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

## 7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 16 days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website (<http://www.phoenixclassaction.com/>) or the Court's website (<https://www.sdcourt.ca.gov/sdcourt/generalinformation/courtrecords2/onlinecasesearch>).

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

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

## **8. CAN I ATTEND THE FINAL APPROVAL HEARING?**

You can, but don't have to, attend the Final Approval Hearing on [ ] at [ ] in Department C-70 of the San Diego Superior Court, located at 330 W Broadway San Diego, CA 92101. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision.

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

## **9. HOW CAN I GET MORE INFORMATION?**

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Court's website at <https://www.sdcourt.ca.gov/sdcourt/generalinformation/courtrecords2/onlinecasesearch>. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by entering the Case Number for the Action, Case No. 37-2021-00053035-CU-OE-CTL. You can also make an appointment to personally review court documents in the Clerk's Office at the Hall of Justice.

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

#### Class Counsel:

Nicholas J. Ferraro, Lauren N. Vega

[info@ferrarovega.com](mailto:info@ferrarovega.com)

Name of Firm: Ferraro Vega Employment Lawyers, Inc.

Mailing Address: 3160 Camino Del Rio South Suite 308 San Diego, CA 92108

Telephone: (619) 693-7727

[Ferrarovega.com](http://Ferrarovega.com)

#### Rick Waltman

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San Diego, CA 92101

#### Defendants' Counsel:

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Name of Firm: Jackson Lewis P.C.

Mailing Address: 225 Broadway Suite 2000 San Diego, CA 92101

Telephone: (619) 573-4900

Settlement Administrator:

Name of Company: Phoenix Settlement Administrators

Email Address: info@phoenixclassaction.com

Mailing Address: P.O. Box 7208, Orange, CA, 92863

Telephone: (800) 523-5773

## **10. WHAT IF I LOSE MY SETTLEMENT CHECK?**

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

## **11. WHAT IF I CHANGE MY ADDRESS?**

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

4870-9440-2609, v. 1

## EXHIBIT 2



Rick Waltman <rick@rickwaltmanlaw.com>

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## Thank you for your Proposed Settlement Submission

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**DIR PAGA Unit** <lwdadonotreply@dir.ca.gov>  
To: rick@rickwaltmanlaw.com

Mon, Nov 7, 2022 at 8:53 AM

11/07/2022 08:53:04 AM

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

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to [pagainfo@dir.ca.gov](mailto:pagainfo@dir.ca.gov).

DIR PAGA Unit on behalf of  
Labor and Workforce Development Agency

Website: [http://labor.ca.gov/Private\\_Attorneys\\_General\\_Act.htm](http://labor.ca.gov/Private_Attorneys_General_Act.htm)

## EXHIBIT 3

# LAFFEY MATRIX

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			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/22- 5/31/23	1.085091	\$225	\$413	\$508	\$733	\$829	\$997
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

\*  $i_{\frac{1}{2}}$ Years Out of Law School  $i_{\frac{1}{2}}$  is calculated from June 1 of each year, when most law students graduate.  $i_{\frac{1}{2}}1-3$ " includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1).  $i_{\frac{1}{2}}4-7$ " applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier  $i_{\frac{1}{2}}1-3$ " from June 1, 1996 until May 31, 1999, would move into tier  $i_{\frac{1}{2}}4-7$ " on June 1, 1999, and tier  $i_{\frac{1}{2}}8-10$ " on June 1, 2003.

\*\* The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.



## EXHIBIT 4

## 2014 NLJ Billing Survey

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Year	Firm Name	Location	Average FTE Attorneys	Partner Billing Rate High	Partner Billing Rate Low	Partner Billing Rate Avg	Associate Billing Rate High	Associate Billing Rate Low	Associate Billing Rate Avg	Counsel Avg	Counsel Low	Counsel High	NLJ Billing Source	Notes
2014	Adams and Reese	New Orleans, LA	318	\$700.00	\$305.00	\$420.00	\$315.00	\$220.00	\$270.00	\$500.00	\$425.00	\$575.00	National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Akerman	Miami, FL	523	\$880.00	\$360.00	\$535.00	\$465.00	\$205.00	\$305.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Akin Gump Strauss Hauer & Feld	Washington, DC	809	\$1220.00	\$615.00	\$785.00	\$660.00	\$365.00	\$525.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Allen Matkins Leck Gamble Mallory & Natsis	Los Angeles, CA	181	\$680.00	\$525.00	\$615.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Alston & Bird	Atlanta, GA	789	\$875.00	\$495.00	\$675.00	\$575.00	\$280.00	\$425.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Andrews Kurth	Houston, TX	337	\$1090.00	\$745.00	\$890.00	\$1090.00	\$265.00	\$670.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Archer & Greiner	Haddonfield, NJ	194	\$460.00	\$330.00	\$400.00	\$295.00	\$200.00	\$245.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Arent Fox	Washington, DC	330	\$860.00	\$500.00	\$650.00	\$595.00	\$275.00	\$395.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

## 2014 NLJ Billing Survey

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2014	Arnall Golden Gregory	Atlanta, GA	140	\$520.00	\$430.00	\$490.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Arnold & Porter	Washington, DC	720	\$950.00	\$670.00	\$815.00	\$610.00	\$345.00	\$500.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Arnstein & Lehr	Chicago, IL	144	\$595.00	\$350.00	\$465.00	\$350.00	\$175.00	\$250.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Baker & Hostetler	Cleveland, OH	798	\$670.00	\$275.00	\$449.00	\$350.00	\$210.00	\$272.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Baker & McKenzie	Chicago, IL	4087	\$1130.00	\$260.00	\$755.00	\$925.00	\$100.00	\$395.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Baker, Donelson, Bearman, Caldwell & Berkowitz	Memphis, TN	588	\$495.00	\$340.00	\$400.00	\$465.00	\$245.00	\$295.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Ballard Spahr	Philadelphia, PA	483	\$650.00	\$395.00	\$475.00	\$495.00	\$235.00	\$315.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Barnes & Thornburg	Indianapolis, IN	522	\$580.00	\$330.00	\$480.00	\$370.00	\$260.00	\$320.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Benesch, Friedlander, Coplan & Aronoff	Cleveland, OH	150	\$635.00	\$360.00	\$455.00	\$475.00	\$155.00	\$280.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Best Best & Krieger	Riverside, CA	176	\$655.00	\$340.00	\$455.00	\$385.00	\$235.00	\$280.00	\$439.83	\$340.00	\$595.00	National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

## 2014 NLJ Billing Survey

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2014	Bingham McCutchen	Boston, MA	795	\$1080.00	\$220.00	\$795.00	\$605.00	\$185.00	\$450.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Blank Rome	Philadelphia, PA	447	\$940.00	\$445.00	\$640.00	\$565.00	\$175.00	\$350.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Bond, Schoeneck & King	Syracuse, NY	198	\$520.00	\$240.00	\$355.00	\$310.00	\$160.00	\$225.00	\$360.00	\$275.00	\$485.00	National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Bowles Rice	Charleston, WV	140	\$285.00	\$165.00	\$230.00	\$180.00	\$115.00	\$135.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Bracewell & Giuliani	Houston, TX	441	\$1125.00	\$575.00	\$760.00	\$700.00	\$275.00	\$440.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Bradley Arant Boult Cummings	Birmingham, AL	413	\$605.00	\$325.00	\$430.00	\$340.00	\$200.00	\$260.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Broad and Cassel	Orlando, FL	150	\$465.00	\$295.00	\$380.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Brown Rudnick	Boston, MA	187	\$1045.00	\$650.00	\$856.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Brownstein Hyatt Farber Schreck	Denver, CO	214	\$700.00	\$310.00	\$520.00	\$345.00	\$265.00	\$305.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Bryan Cave	St. Louis, MO	985	\$900.00	\$410.00	\$620.00	\$595.00	\$220.00	\$405.00	\$635.00	\$355.00	\$865.00	National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

## 2014 NLJ Billing Survey

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2014	Buchalter Nemer	Los Angeles, CA	139	\$695.00	\$475.00	\$605.00	\$375.00	\$350.00	\$365.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Burr & Forman	Birmingham, AL	261	\$525.00	\$300.00	\$371.00	\$275.00	\$200.00	\$241.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Butler Snow	Ridgeland, MS	280	\$335.00	\$235.00	\$302.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Cadwalader, Wickersham & Taft	New York, NY	437	\$1050.00	\$800.00	\$930.00	\$750.00	\$395.00	\$605.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Carlton Fields	Tampa, FL	272	\$840.00	\$455.00	\$600.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Cole, Schotz, Meisel, Forman & Leonard	Hackensack, NJ	118	\$730.00	\$590.00	\$653.00	\$340.00	\$275.00	\$302.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Connell Foley	Roseland, NJ	129	\$575.00	\$275.00	\$425.00	\$325.00	\$200.00	\$265.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Cooley	Palo Alto, CA	673	\$990.00	\$660.00	\$820.00	\$640.00	\$335.00	\$515.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Covington & Burling	Washington, DC	760	\$890.00	\$605.00	\$780.00	\$565.00	\$320.00	\$415.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Cozen O'Connor	Philadelphia, PA	495	\$1135.00	\$275.00	\$570.00	\$640.00	\$180.00	\$355.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

## 2014 NLJ Billing Survey

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2014	Curtis, Mallet-Prevost, Colt & Mosie	New York, NY	323	\$860.00	\$730.00	\$800.00	\$785.00	\$345.00	\$480.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Davis Graham & Stubbs	Denver, CO	145	\$635.00	\$315.00	\$435.00	\$350.00	\$200.00	\$255.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Davis Polk & Wardwell	New York, NY	810	\$985.00	\$850.00	\$975.00	\$975.00	\$130.00	\$615.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Debevoise & Plimpton	New York, NY	595	\$1075.00	\$955.00	\$1055.00	\$760.00	\$120.00	\$490.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Dechert	New York, NY	845	\$1095.00	\$670.00	\$900.00	\$735.00	\$395.00	\$530.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Dentons	New York, NY	2503	\$1050.00	\$345.00	\$700.00	\$685.00	\$210.00	\$425.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Dickstein Shapiro	Washington, DC	254	\$1250.00	\$590.00	\$750.00	\$585.00	\$310.00	\$475.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Dinsmore & Shohl	Cincinnati, OH	415	\$850.00	\$250.00	\$411.00	\$365.00	\$160.00	\$238.00	\$360.00	\$150.00	\$615.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	DLA Piper	New York, NY	3962	\$1025.00	\$450.00	\$765.00	\$750.00	\$250.00	\$510.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Dorsey & Whitney	Minneapolis, MN	501	\$585.00	\$340.00	\$435.00	\$510.00	\$215.00	\$315.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

## 2014 NLJ Billing Survey

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2014	Duane Morris	Philadelphia, PA	613	\$960.00	\$415.00	\$589.00	\$585.00	\$280.00	\$373.00	\$638.00	\$460.00	\$1015.00	National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Edwards Wildman Palmer	Boston, MA	540	\$765.00	\$210.00	\$535.00	\$415.00	\$245.00	\$325.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Faegre Baker Daniels	Minneapolis, MN	673	\$580.00	\$355.00	\$455.00	\$315.00	\$110.00	\$260.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Foley & Lardner	Milwaukee, WI	844	\$860.00	\$405.00	\$600.00	\$470.00	\$210.00	\$335.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Foley Hoag	Boston, MA	221	\$775.00	\$590.00	\$670.00	\$385.00	\$290.00	\$325.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Fox Rothschild	Philadelphia, PA	531	\$750.00	\$335.00	\$530.00	\$500.00	\$245.00	\$310.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Fried, Frank, Harris, Shriver & Jacobson	New York, NY	450	\$1100.00	\$930.00	\$1000.00	\$760.00	\$375.00	\$595.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Frost Brown Todd	Cincinnati, OH	414	\$600.00	\$220.00	\$387.00	\$315.00	\$150.00	\$234.00	\$417.00	\$350.00	\$540.00	National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Gardere Wynne Sewell	Dallas, TX	218	\$775.00	\$430.00	\$635.00	\$330.00	\$290.00	\$303.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Gibbons	Newark, NJ	201	\$865.00	\$440.00	\$560.00	\$475.00	\$295.00	\$360.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

## 2014 NLJ Billing Survey

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2014	Gibson, Dunn & Crutcher	New York, NY	1154	\$1800.00	\$765.00	\$980.00	\$930.00	\$175.00	\$590.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Gordon Rees Scully Mansukhani	San Diego, CA	478	\$475.00	\$375.00	\$420.00	\$325.00	\$285.00	\$300.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Greenberg Traurig	New York, NY	1690	\$955.00	\$535.00	\$763.00	\$570.00	\$325.00	\$470.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Harris Beach	Rochester, NY	198	\$400.00	\$298.00	\$348.00	\$285.00	\$175.00	\$230.00	\$287.50	\$175.00	\$400.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Harter Secrest & Emery	Rochester, NY	132	\$465.00	\$300.00	\$385.00	\$290.00	\$195.00	\$250.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Haynes and Boone	Dallas, TX	483	\$1020.00	\$450.00	\$670.00	\$580.00	\$310.00	\$405.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Hogan Lovells	Washington, DC	2313	\$1000.00	\$705.00	\$835.00								National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Holland & Hart	Denver, CO	423	\$725.00	\$305.00	\$442.00	\$425.00	\$175.00	\$277.00	\$363.00	\$225.00	\$535.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Holland & Knight	Washington, DC	956	\$1085.00	\$355.00	\$625.00	\$595.00	\$210.00	\$340.00	\$575.00	\$420.00	\$910.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Honigman Miller Schwartz and Cohn	Detroit, MI	231	\$560.00	\$290.00	\$390.00	\$225.00	\$205.00	\$220.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report



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2014	Hughes Hubbard & Reed	New York, NY	351	\$995.00	\$725.00	\$890.00	\$675.00	\$365.00	\$555.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Husch Blackwell	St. Louis, MO	539	\$785.00	\$250.00	\$449.00	\$440.00	\$190.00	\$275.00	\$418.00	\$240.00	\$625.00	National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Ice Miller	Indianapolis, IN	291	\$530.00	\$335.00	\$450.00	\$305.00	\$245.00	\$270.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Irell & Manella	Los Angeles, CA	166	\$975.00	\$800.00	\$890.00	\$750.00	\$395.00	\$535.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Jackson Kelly	Charleston, WV	179	\$535.00	\$270.00	\$345.00	\$315.00	\$200.00	\$243.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Jackson Lewis	Los Angeles, CA	724	\$440.00	\$310.00	\$380.00	\$315.00	\$275.00	\$290.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Jackson Walker	Dallas, TX	333	\$675.00	\$575.00	\$622.00	\$385.00	\$255.00	\$335.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Jeffer, Mangels, Butler & Mitchell	Los Angeles, CA	125	\$875.00	\$560.00	\$690.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Jenner & Block	Chicago, IL	434	\$925.00	\$565.00	\$745.00	\$550.00	\$380.00	\$465.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Jones Day	New York, NY	2464	\$975.00	\$445.00	\$745.00	\$775.00	\$205.00	\$435.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

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2014	Jones Walker	New Orleans, LA	363	\$425.00	\$275.00	\$385.00	\$240.00	\$200.00	\$225.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Kasowitz, Benson, Torres & Friedman	New York, NY	372	\$1195.00	\$600.00	\$835.00	\$625.00	\$200.00	\$340.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Katten Muchin Rosenman	Chicago, IL	612	\$745.00	\$500.00	\$615.00	\$595.00	\$340.00	\$455.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Kaye Scholer	New York, NY	392	\$1250.00	\$725.00	\$860.00	\$795.00	\$370.00	\$597.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Kelley Drye & Warren	New York, NY	293	\$815.00	\$435.00	\$640.00	\$600.00	\$305.00	\$430.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Kilpatrick Townsend & Stockton	Atlanta, GA	561	\$775.00	\$400.00	\$550.00	\$475.00	\$315.00	\$385.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	King & Spalding	Atlanta, GA	874	\$995.00	\$545.00	\$775.00	\$735.00	\$125.00	\$460.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Kirkland & Ellis	Chicago, IL	1554	\$995.00	\$590.00	\$825.00	\$715.00	\$235.00	\$540.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Knobbe Martens Olson & Bear	Irvine, CA	260	\$810.00	\$450.00	\$575.00	\$455.00	\$305.00	\$360.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Kramer Levin Naftalis & Frankel	New York, NY	313	\$1100.00	\$745.00	\$921.00	\$815.00	\$515.00	\$675.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

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2014	Lane Powell	Seattle, WA	170	\$675.00	\$375.00	\$516.00	\$425.00	\$260.00	\$331.00	\$477.00	\$300.00	\$650.00	National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Latham & Watkins	New York, NY	2060	\$1110.00	\$895.00	\$990.00	\$725.00	\$465.00	\$605.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Lathrop & Gage	Kansas City, MO	283	\$700.00	\$285.00	\$420.00	\$375.00	\$195.00	\$250.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Lewis Roca Rothgerber	Phoenix, AZ	228	\$695.00	\$380.00	\$505.00	\$525.00	\$205.00	\$400.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Lindquist & Vennum	Minneapolis, MN	178	\$600.00	\$460.00	\$520.00	\$470.00	\$275.00	\$365.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Littler Mendelson	San Francisco, CA	1002	\$615.00	\$395.00	\$550.00	\$420.00	\$245.00	\$290.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Lowenstein Sandler	Roseland, NJ	261	\$990.00	\$600.00	\$765.00	\$650.00	\$300.00	\$450.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Manatt, Phelps & Phillips	Los Angeles, CA	329	\$795.00	\$640.00	\$740.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	McCarter & English	Newark, NJ	371	\$625.00	\$450.00	\$530.00	\$370.00	\$220.00	\$300.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	McDermott Will & Emery	Chicago, IL	1021	\$835.00	\$525.00	\$710.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

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2014	McElroy, Deutsch, Mulvaney & Carpenter	Morristown, NJ	274	\$560.00	\$325.00	\$445.00	\$335.00	\$200.00	\$295.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	McGuireWoods	Richmond, VA	931	\$725.00	\$450.00	\$595.00	\$525.00	\$285.00	\$360.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	McKenna Long & Aldridge	Atlanta, GA	518	\$650.00	\$480.00	\$530.00	\$425.00	\$375.00	\$395.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Michael, Best & Friedrich	Milwaukee, WI	189	\$650.00	\$235.00	\$445.00	\$425.00	\$200.00	\$283.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Miles & Stockbridge	Baltimore, MD	226	\$740.00	\$340.00	\$478.00	\$425.00	\$230.00	\$290.00	\$419.00	\$225.00	\$695.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Moore & Van Allen	Charlotte, NC	274	\$870.00	\$315.00	\$490.00	\$430.00	\$190.00	\$280.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Morgan, Lewis & Bockius	Philadelphia, PA	1363	\$765.00	\$430.00	\$620.00	\$585.00	\$270.00	\$390.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Morris, Manning & Martin	Atlanta, GA	148	\$575.00	\$400.00	\$480.00								National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Morrison & Foerster	San Francisco, CA	1020	\$1195.00	\$595.00	\$865.00	\$725.00	\$230.00	\$525.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Nelson Mullins	Columbia, SC	466	\$800.00	\$250.00	\$444.00	\$395.00	\$215.00	\$271.00	\$376.00	\$195.00	\$600.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

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2014	Nixon Peabody	Boston, MA	584	\$850.00	\$295.00	\$520.00	\$550.00	\$180.00	\$300.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Norris McLaughlin & Marcus	Bridgewater, NJ	128	\$505.00	\$485.00	\$495.00	\$365.00	\$185.00	\$275.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Norton Rose Fulbright	Houston, TX	3537	\$900.00	\$525.00	\$775.00	\$515.00	\$300.00	\$400.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Nossaman	Los Angeles, CA	148	\$800.00	\$370.00	\$579.00	\$490.00	\$255.00	\$340.00	\$495.00	\$440.00	\$550.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Nutter McClennen & Fish	Boston, MA	146	\$715.00	\$470.00	\$575.00	\$460.00	\$295.00	\$375.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Ogletree Deakins	Atlanta, GA	668	\$650.00	\$250.00	\$360.00	\$365.00	\$200.00	\$260.00	\$315.00	\$230.00	\$555.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	O'Melveny & Myers	Los Angeles, CA	721	\$950.00	\$615.00	\$715.00								National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Orrick Herrington & Sutcliffe	New York, NY	954	\$1095.00	\$715.00	\$845.00	\$375.00	\$710.00	\$560.00	\$735.00	\$685.00	\$850.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Parker Poe Adams & Bernstein	Charlotte, NC	185	\$500.00	\$425.00	\$450.00								National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Paul Hastings	New York, NY	889	\$900.00	\$750.00	\$815.00	\$755.00	\$335.00	\$540.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

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2014	Paul, Weiss, Rifkind, Wharton & Garrison	New York, NY	854	\$1120.00	\$760.00	\$1040.00	\$735.00	\$595.00	\$678.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Pepper Hamilton	Philadelphia, PA	510	\$950.00	\$465.00	\$645.00	\$525.00	\$280.00	\$390.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Perkins Coie	Seattle, WA	861	\$1000.00	\$330.00	\$615.00	\$610.00	\$215.00	\$425.00	\$635.00	\$280.00	\$800.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Pillsbury Winthrop Shaw Pittman	Washington, DC	591	\$1070.00	\$615.00	\$865.00	\$860.00	\$375.00	\$520.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Polsinelli	Kansas City, MO	616	\$775.00	\$325.00	\$435.00	\$350.00	\$235.00	\$279.00	\$376.00	\$300.00	\$450.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Proskauer Rose	New York, NY	712	\$950.00	\$725.00	\$880.00	\$675.00	\$295.00	\$465.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Quarles & Brady	Milwaukee, WI	422	\$625.00	\$425.00	\$519.00	\$600.00	\$210.00	\$335.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Quinn Emanuel Urquhart & Sullivan	New York, NY	673	\$1075.00	\$810.00	\$915.00	\$675.00	\$320.00	\$410.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Reed Smith	Pittsburgh, PA	1555	\$890.00	\$605.00	\$737.00	\$530.00	\$295.00	\$420.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Richards, Layton & Finger	Wilmington, DE	124	\$800.00	\$600.00	\$678.00	\$465.00	\$350.00	\$414.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

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2014	Riker Danzig Scherer Hyland & Perretti	Morristown, NJ	146	\$495.00	\$430.00	\$455.00	\$295.00	\$210.00	\$250.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Robinson & Cole	Hartford, CT	201	\$700.00	\$295.00	\$500.00	\$445.00	\$215.00	\$300.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Rutan & Tucker	Costa Mesa, CA	147	\$675.00	\$345.00	\$490.00	\$500.00	\$230.00	\$320.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Saul Ewing	Philadelphia, PA	240	\$875.00	\$375.00	\$546.00	\$590.00	\$225.00	\$344.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Schiff Hardin	Chicago, IL	317				\$415.00	\$250.00	\$333.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Sedgwick	San Francisco, CA	342	\$615.00	\$305.00	\$425.00	\$475.00	\$250.00	\$325.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Seward & Kissel	New York, NY	143	\$850.00	\$625.00	\$735.00	\$600.00	\$290.00	\$400.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Seyfarth Shaw	Chicago, IL	779	\$860.00	\$375.00	\$610.00	\$505.00	\$225.00	\$365.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Sheppard Mullin Richter & Hampton	Los Angeles, CA	549	\$875.00	\$490.00	\$685.00	\$535.00	\$275.00	\$415.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Shumaker Loop & Kendrick	Toledo, OH	224	\$595.00	\$305.00	\$413.00	\$330.00	\$160.00	\$256.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

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2014	Shutts & Bowen	Miami, FL	230	\$660.00	\$250.00	\$430.00	\$345.00	\$195.00	\$260.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Skadden, Arps, Slate, Meagher & Flom	New York, NY	1664	\$1150.00	\$845.00	\$1035.00	\$845.00	\$340.00	\$620.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Snell & Wilmer	Phoenix, AZ	411	\$845.00	\$325.00	\$525.00	\$470.00	\$180.00	\$280.00					National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Spilman Thomas & Battle	Charleston, WV	131							\$280.00	\$215.00	\$350.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Squire Patton Boggs			\$950.00	\$350.00	\$655.00	\$530.00	\$250.00	\$355.00					National Law Journal, December 2014	Location data not available due to merger in 2014. Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Sterne, Kessler, Goldstein & Fox	Washington, DC	122	\$795.00	\$450.00	\$577.00	\$470.00	\$265.00	\$346.00	\$483.57	\$450.00	\$520.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Stevens & Lee	Reading, PA	154	\$800.00	\$525.00	\$625.00								National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Stoel Rives	Portland, OR	365	\$800.00	\$300.00	\$492.00	\$465.00	\$205.00	\$287.00	\$312.00	\$280.00	\$510.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Strasburger & Price	Dallas, TX	217	\$690.00	\$290.00	\$435.00	\$365.00	\$210.00	\$270.00	\$475.00	\$300.00	\$690.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Stroock & Stroock & Lavan	New York, NY	285	\$1125.00	\$675.00	\$960.00	\$840.00	\$350.00	\$549.00	\$979.00	\$745.00	\$1095.00		National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report



## 2014 NLJ Billing Survey

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2014	Taft Stettinius & Hollister	Cincinnati, OH	357	\$535.00	\$285.00	\$415.00	\$475.00	\$200.00	\$285.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Thompson & Knight	Dallas, TX	290	\$740.00	\$425.00	\$535.00	\$610.00	\$240.00	\$370.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Thompson Coburn	St. Louis, MO	317	\$510.00	\$330.00	\$440.00	\$350.00	\$220.00	\$270.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Troutman Sanders	Atlanta, GA	567	\$975.00	\$400.00	\$620.00	\$570.00	\$245.00	\$340.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Ulmer & Berne	Cleveland, OH	178	\$415.00	\$315.00	\$380.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Varnum	Grand Rapids, MI	133	\$465.00	\$290.00	\$390.00							National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Venable	Washington, DC	533	\$1075.00	\$470.00	\$660.00	\$575.00	\$295.00	\$430.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Vinson & Elkins	Houston, TX	650	\$770.00	\$475.00	\$600.00	\$565.00	\$275.00	\$390.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Waller Lansden Dortch & Davis	Nashville, TN	178	\$600.00	\$350.00	\$460.00	\$335.00	\$190.00	\$245.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report
2014	Weil, Gotshal & Manges	New York, NY	1157	\$1075.00	\$625.00	\$930.00	\$790.00	\$300.00	\$600.00				National Law Journal, December 2014	Full-time equivalent (FTE) attorneys at the firm and the city of the firm's largest U.S. office as listed in the 2014 NLJ 350 report

## EXHIBIT 5

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# FERRARO VEGA

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SAN DIEGO EMPLOYMENT LAWYERS

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December 14, 2021

**NOTICE OF LABOR CODE VIOLATIONS**  
**CALIFORNIA LABOR CODE SECTIONS 2698 *et seq.***

**VIA EMAIL & CERTIFIED U.S. MAIL**

***- Electronic Return Receipt -***

**2018HMO LLC**  
3639 Midway Drive, Suite B-132  
San Diego, CA 92110

**2018HMPF LLC**  
3940 Home Avenue, Suite B  
San Diego, CA 92105

**Aaron Magagna**  
3639 Midway Drive, Suite B-132  
San Diego, CA 92110

**Michael Stratman**  
Hikei Modern Cannabis  
3940 Home Avenue, Suite B  
San Diego, CA 92105

***- PAGA Notice & Filing Fee -***  
Submitted electronically to the California  
Labor and Workforce Development  
Agency on **12/14/2021**

Dear Labor Enforcement Officer and Company Representatives:

This letter serves as written notice on behalf of JON WOOD ("Claimant") and other aggrieved employees under California Labor Code section 2699.3 against 2018HMO LLC; 2018HMPF LLC; AARON MAGANA; and MICHAEL STRATMAN and all related employer persons and entities ("Defendants").

If the California Labor and Workforce Development Agency ("LWDA") does not investigate the facts, allegations, and violations set forth in this notice within the statutorily prescribed period under Labor Code section 2699.3, Claimant shall seek and recover civil penalties as a proxy and agent of the State of California on behalf of other aggrieved employees under the California Private Attorneys General Act ("PAGA").

"PAGA allows an 'aggrieved employee'—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer." *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal. App. 5th 745, 751; *see also Kim v. Reins International California, Inc.* (2020) 9 Cal. 73, 79.

## **FACTUAL STATEMENT**

Defendants operate Hikei Modern Cannabis, a marijuana dispensary. Defendants employ individuals like Claimant in the State of California (including San Diego County) in hourly, non-exempt positions where employees are entitled to wage and hour protections under the California Labor Code and IWC Wage Orders. Defendants engaged, suffered and permitted Claimant and the other “aggrieved employees,” as defined below, to work, exercised control over their respective wages, hours, and working conditions, and at all times were an agent and/or ostensible agent of any other employers, and the joint employer of Claimant and other aggrieved employees. Defendants legally employed Claimant and the other aggrieved employees.

Defendants’ agents are personally liable under Labor Code sections 558, 558.1, 1197.1 and 2699 *et seq.* based on the acts and omissions set forth herein. Defendants Aaron Magana and Michael Stratman operate Hikei Modern Cannabis and are accountable for executive management concerning the payment of wages to aggrieved employees like Claimant. Mr. Magana is the owner and member of Defendants and Michael Stratman is COO. Any judgment against Hikei may be directly enforced against them.

Claimant worked for Defendants from about March 2020 through October 2021. Throughout his employment, Claimant was an hourly, non-exempt employee. He worked in San Diego. Through this notice, Claimant informs the LWDA of the Labor Code violations set forth herein. The aggrieved employees who Claimant seeks to represent include the following individuals:

All current and former non-exempt hourly employees who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of final judgment in any pending action (the “aggrieved employees” and the “PAGA Period”).

Claimant seeks all recoverable civil penalties for Defendants’ violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered. Claimant reserves the right to narrow the definition of the “aggrieved employees” in the forthcoming civil action.

**Overtime and Minimum Wage Violations**  
**Violation of Labor Code §§ 201-204, 210, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199; IWC Wage Orders**

Defendants failed to pay for all hours worked and failed to pay overtime based on the lawful regular rate of pay, in violation of Labor Code sections 201-204, 210, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, all applicable local minimum wage ordinances, and the related sections of the applicable IWC Wage Orders, including sections 3 and 4 and the standing Minimum Wage Order. Claimant and the aggrieved employees were not paid at least minimum wage *for all hours* worked. Claimant and the aggrieved employees were not paid at their lawful overtime rate (*i.e.*, time and a half or double time based on their regular rate of pay) for all overtime hours worked in excess of 8 hours in a workday, 40 hours in a workweek, or for any hours on any seventh consecutive day of work, to the extent Claimant or other aggrieved worked on a seventh consecutive workday or other such hours as further investigation may reveal.

Labor Code § 204(a) states that all wages earned are due and payable twice during each calendar month on days designated in advance by the employer as regular pay days. Overtime wages are to be paid no later than the payday for the next regular payroll period. (Labor Code § 204(b)(1).) Labor Code § 210 states that, “every person who fails to pay the wages of an employee as provided in Section...204...shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

Labor Code § 1197 states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.” The “Minimum Wages” section of the applicable IWC Wage Order further provides that “[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.”

Labor Code section 510 requires “[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee;” and “any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee;” and “any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.”

Labor Code sections 558 and 1197.1 contain civil penalties for violating this provision of those provisions of the IWC Wage Orders, including sections 3 and 4 and the standing Minimum Wage Order. Labor Code section prohibits payment of a wage less than the legal overtime

compensation applicable to the employee. Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful and Labor Code section 1199 renders payment of wages contrary to the forging Labor Code and Wage Order provisions unlawful.

Defendants failed to pay Claimant and the aggrieved employees for all hours worked because of Defendants’ practice of editing employees’ time records to avoid/reduce overtime and to insert false unpaid meal periods (*i.e.*, time shaving). For a portion of the PAGA Period, Defendants maintained an unlawful automatic meal period policy, whereby meal periods of at least minimum duration were entered and/or autodeducted regardless of whether they were actually taken. This resulted in an underpayment of hours worked each pay period for the aggrieved employees, as they worked during those periods which were inserted as unpaid meal periods, without receiving compensation for those hours. Defendants engaged in a pattern of editing employees’ time records that resulted in an underpayment of regular and overtime wages to Claimant and the aggrieved employees. The revisions were made without employees’ knowledge or consent and are evident from Defendants’ time records, which Defendants’ lawyers refuse to provide in response to statutory records requests. Furthermore, Defendants did not include all required forms or remuneration in the regular rate of pay required to calculate and pay overtime.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code §§ 225.5 (\$100/\$200), 558 (\$50/\$100), 1197.1 (\$100/\$250) and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

### **Underpaid Meal Period Premiums** **Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders**

Defendants failed to pay meal period premiums at the lawful regular rate of compensation to Claimant and other aggrieved employees in violation of Labor Code sections 226.7, 512 and 1198, and the related sections of the IWC Wage Orders, including section 11.

Labor Code section 512 requires that employers provide a 30-minute, uninterrupted meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay for an hour of pay at the employee’s “regular rate” of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862 (“We hold that the terms are synonymous: “regular rate of compensation” under section 226.7(c), like “regular rate of pay” under section 510(a), encompasses all nondiscretionary payments, not just hourly wages”). “[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage.” *Donohue v. AMN Services, LLC* (2021) 11 Cal. 5th 58, 61. Labor Code section 1198 renders “employment of any employee

for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful.

During Claimant’s employment, Defendants failed to pay meal period premiums for times when he involuntarily experienced late, short, interrupted, or missed meal periods. Claimant and the aggrieved employees experienced meal period violations due to deliveries, poor staffing, company policy prohibiting breaks during deliveries, and customer demands. Claimant and the aggrieved employees were not paid all meal period premiums. Claimant and others were not paid meal period premiums for shifts of 5 hours or more without a meal period when no meal period waiver was in effect. Defendants did not maintain lawful meal period waivers during the majority of the PAGA Period. Furthermore, as discussed above, Defendants’ time records show that Defendants’ agents edited Claimant’s time records (without his knowledge) to make it appear as though Claimant and other aggrieved employees took compliant meal periods during times when they did not. Lastly, drivers were not permitted to take breaks until they arrived back at the store location per company policy. Drivers like Claimant were required to sign an agreement stating that once they left the retail location, they were prohibited from making any stops in the vehicle unless it was for product delivery, fuel, or vehicle repair and that they were required to drive straight back to the retail location after the last delivery. This requirement prevented Claimant and other aggrieved employees from taking meal and rest periods because they were often scheduled with back to back deliveries.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

**Underpaid Rest Period Premiums**  
**Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders**

Defendants failed to pay rest period premiums at the lawful regular rate of compensation to Claimant and other aggrieved employees in violation of Labor Code sections 226.7, 516 and 1198, and the related sections of the IWC Wage Orders, including section 12.

Labor Code sections 226.7 and 516, along with the IWC Wage Orders, require that employers authorize and permit a 10-minute, uninterrupted rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a meal period is non-compliant, the employer must pay for an hour of pay at the employee’s “regular rate” of compensation. *See Ferra v. Loews Hollywood Hotel*, 11 Cal. 5th at 862. Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. Defendants required Claimant and other aggrieved employees to effectively waive or otherwise forego their rest periods contrary to the law.

Defendants did not provide for or authorize rest periods, and did not afford sufficient staffing for Claimant and other aggrieved employees to take compliant 10-minute rest periods in accordance with California law. This was the result of scheduling practices and lack of compliant policies and practices with respect to 10-minute rest periods, as well as company policy prohibiting breaks during deliveries. On information and belief, Claimant alleges that Defendants did not pay a single rest period premium to aggrieved employees. Moreover, Defendants prohibited drivers from taking breaks while delivering cannabis products and were expressly prohibited from engaging in “any activities except for cannabis goods delivery[.]”

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

### **Untimely Payment of Wages During Employment** **Violation of Labor Code §§ 204, 204b, 210**

Defendants violated Labor Code sections 204 and 204b requiring payment of all wages on regularly scheduled paydays with respect to Claimant and other aggrieved employees by failing to pay all wages owed on the regular pay days scheduled each pay period. To the extent that Defendants made or make any retroactive payments to Claimant or other aggrieved employees, such amounts are untimely in violation of these payday statutes.

Because Defendants failed to pay all wages in each pay period in which such wages were earned at the lawful rate for overtime, meal/rest premiums and other forms of remuneration, Defendants violated Labor Code section 204 and/or 204b (for weekly employees), which requires timely payment of wages of wages each regular scheduled pay period. Labor Code section 204 requires payment of “all wages” for non-exempt employees at least twice each calendar month. Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides that, “every person who fails to pay the wages of an employee as provided in Section...204...shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

As explained above, Defendants underpaid Claimant and other aggrieved employees’ regular, overtime, and premium pay. Defendants are separately liable for not paying the full amount owed to Claimant and other aggrieved employees each payday in violation of Labor Code sections 204 and/or 204b.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, Labor Code section 210 (\$100/\$200) per violation per pay period, along with all other civil penalties permitted by law.



**Untimely Payment of Wages Upon Separation of Employment**  
**Violation of Labor Code §§ 201, 202, 203**

Defendants violated Labor Code sections 201, 202 and 203 requiring timely payment of all wages upon separation and waiting time penalties in lieu thereof with respect to aggrieved employees by failing to pay all wages and premiums owed upon termination of employment.

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours' notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours' notice, the final wages are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days.

Because Defendants failed to pay all wages owed to the aggrieved employees during their employment and failed to properly pay regular and overtime wages, Defendants failed to timely pay all wages owed upon separation of employment in violation of Labor Code sections 201, 202 and 203.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

**Failure to Reimburse Necessary Expenses**  
**Violation of Labor Code §§ 2800, 2802**

Defendants failed in their affirmative legal obligation to reimburse Claimants and other aggrieved employees for all necessary work-related costs and expenses as a matter of policy and practice in violation of Labor Code section 2802, which states:

An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.

Defendants required Claimants and the aggrieved employees to clock in and out during part of the PAGA period using an app called Deputy. At all relevant times, Defendants were required to comply with the reimbursement mandate of Labor Code section 2802. Claimant and the aggrieved employees were not compensated for their use of their personal cell phones.

To the extent Defendants argue that the expenses were reimbursable only upon request and preapproval, Labor Code section 2802's mandate is absolute: the element of constructive knowledge "does not appear in the statute" and written policies or handbooks do not "affect the significance of a failure to comply with that statutory duty ... the rights afforded by section[] 2802 may not be subject to negotiation or waiver." *Espinoza v. West Coast Tomato Growers, LLC* (S.D. Cal. 2016) Case No. 14-CF-2984 at n.2; *Park v. Joong-Ang Daily News Cal., Inc.* (2nd App. Dist., Div. 7, 2017) No. B268678 n.7 (unpublished, citing published authority). Labor Code section 2804 further affirms that "[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State." In other words, if—as here—employees incur "necessary expenses" or "losses" for the benefit of their employer, then the employees are unconditionally entitled to receive reimbursement for those expenses.

Such a pattern, practice and uniform administration of corporate policy as described herein is unlawful and creates an entitlement to recover by Claimant, the aggrieved employees and the State of California in a civil action for all civil penalties recoverable for violations of Labor Code section 2802, including those set forth in Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, along with the recovery of attorney's fees and costs of suit.

### **Non-Compliant Wage Statements** **Violation of Labor Code §§ 226, 226.3**

Defendants violated Labor Code section 226 with respect to Claimant and other aggrieved employees by failing to furnish itemized wage statements each pay period that accurately list all information required by Labor Code section 226(a)(1) through (9).

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, "an accurate itemized statement in writing showing:" (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned and applicable piece rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.<sup>1</sup> An employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of \$250 per employee per violation for the initial

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<sup>1</sup> See generally *Lopez v. Friant & Associates, LLC* (2017) 15 Cal. App. 5th 773, 787-88 ("Consistent with the PAGA statutory framework and the plain language of section 226(e), we hold a plaintiff seeking civil penalties under PAGA for a violation of section 226(a) does not have to satisfy the "injury" and "knowing and intentional" requirements of section 226(e)(1)"); see also *Kastler v. Oh My Green, Inc.* (N.D. Cal., Oct. 25, 2019) Case No. 19-CV-02411-HSG ("Injuries from a failure to provide an accurate pay statement include 'possibility of not being paid overtime, employee confusion over whether they received all wages owed them, difficulty and expense involved in reconstructing pay records, and forcing employees to make mathematical computations to analyze whether the wages paid in fact compensated them for all hours worked'" (rejecting *Maldonado* defense for class claims).

citation and \$1,000 per employee for each violation in a subsequent citation, in addition to other penalties allowed by law.

Throughout the relevant statutory period, as a result of the foregoing violations identified in this notice—unpaid regular and overtime wages and premiums—Defendants violated Labor Code section 226(a)(1) by not listing the correct “gross wages earned,” as the employees earned regular wages, overtime, and premiums, but were instead underpaid, resulting in an inaccurate reflection and recording of “gross wages earned” on those wage statements. Defendants also violated Labor Code section 226(a)(5) with respect to “net wages earned” for the same reasons, as the “net wages earned” are depreciated and underpaid resulting in an inaccurate reflection on the pay stub.

Furthermore, Defendants violated Labor Code section 226(a)(2) because employees’ total hours worked were incorrect as a result of the off the clock work employees were forced to perform.

Lastly, in violation of Labor Code section 226(a)(9), the hourly rates in are incorrect for the same reasons described above. The hourly rates are inaccurately stated as the base rate for Claimant and other aggrieved employees who were paid for regular hours as a result of Defendants’ timeshaving practice when they should have been paid the overtime hourly rate for some of the hours worked.

Claimant and other aggrieved employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sowed confusion among Claimant and other aggrieved employees with respect to what amounts were owed and paid, at what rates, and how those amounts were calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments throughout the relevant period.

Thus, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code sections 226.3 (\$250/\$1,000) and/or 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

**Failure to Maintain Accurate Records**  
**Violation of Labor Code §§ 1174, 1174.5, 1198; IWC Wage Orders**

Because of the violations set forth in this notice, including Defendants’ failure to accurately maintain records of pay for all hours worked at the appropriate lawful rates of pay, Defendants violated Labor Code section 1174 and the IWC Wage Orders by failing to maintain accurate payroll records showing all hourly rates in effect and hours worked at those rates, and the wages paid to each employee. As a result, Defendants are liable for a civil penalty of \$500 per employee to Claimant and each aggrieved employee pursuant to Labor Code section 1174.5.

**Failure to Provide Records in Response to Statutory Records Requests/Inspection**  
**Violation of Labor Code §§ 226, 432 IWC Wage Orders**

Claimant issued a records request to Defendants requesting all records due under the IWC Wage Orders (including the Records sections), and Labor Code sections 226 and 432. In response to Claimant's records request to Defendants, Defendants did not provide the employee handbook or Claimant's time records, in violation of California law.

Claimant signed a copy of the employee handbook, but Defendants only provided the acknowledgment page. This violates Labor Code section 432, which requires all documents signed by an employee to be provided upon request, and Labor Code section 226, which requires companies to provide a copy of all records pertaining to the respective employee's employment, as well as the inspection requirements of the IWC Wage Orders, which may be enforced via Labor Code section 1198. Additionally, Defendants willfully refused to provide Claimant's time records, despite the requirements of the IWC Wage Orders and Labor Code section 226, which state:

As a result, Claimant is an aggrieved employee who seeks civil penalties on behalf of himself and others for these and other Labor Code violations. Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code sections 226 and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

**Attorneys' Fees and Costs**  
**Labor Code § 2699(g)**

Claimant was compelled to retain the services of counsel to file this court action to protect Claimant's interests, the interests of other aggrieved employees, and the State of California. Claimant has thereby incurred and will continue to incur attorneys' fees and costs, which are recoverable on all PAGA causes of action under Labor Code section 2699(g).

**Notice of Demand for Defendants**  
**to Change Policies and Practices**

Claimant intends to pursue legal action against Defendants based on the violations set forth in this notice. Defendants are hereby notified that any attempt to resolve this case must be conducted in coordination with Claimant's counsel to protect the interests of Claimant, the aggrieved employees, and the State of California via the LWDA. Any and all settlements releasing liability require Court approval in connection with Claimant and their counsel to fully release liability and resolve the claims alleged in this notice. Claimant will establish that (1) Claimant's lawsuit was a catalyst in motivating Defendants to change their policies and practices and provide the relief sought through this action, (2) that the forthcoming lawsuit has merit and is based on undisputed violations for which Defendants will be liable at trial,

and (3) that Claimant has hereby notified Defendants of their violations and considers this notice an attempt to resolve the matter. *See Tipton-Whittingham v. City of Los Angeles* (2004) 34 Cal.4th 604, 608 (citing *Graham v. Daimler-Chrysler Corp.* (2004) 34 Cal. 4th 553) (authorizing an award of catalyst attorneys' fees against the defendants).

As the PAGA representative, Claimant has a duty to file this case at the earliest opportunity. Defendants may contact Claimant's counsel with any questions regarding this letter or the forthcoming lawsuit.

### **CONCLUSION**

If the LWDA does not pursue enforcement, Claimant will bring representative claims on behalf of the State of California and the aggrieved employees seeking all recoverable civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Nicholas J. Ferraro". The signature is written in a cursive, flowing style.

Nicholas J. Ferraro

Cc Claimant

Lauren N. Vega  
Lauren@ferrarovega.com  
Counsel for Claimant