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6 Attorneys for Plaintiff VALERIE MAE LUNA,
7 on behalf of herself, all others similarly situated,
8 and on behalf of the general public

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **IN AND FOR THE COUNTY OF LOS ANGELES**

11 VALERIE MAE LUNA on behalf of herself,
12 all others similarly situated, and on behalf of
13 the general public,

13 Plaintiffs,

14 v.

15 ACCU BIO-CHEM LABORATORIES; and
16 DOES 1-100,

17 Defendants.

Case No. 22STCV35014

*[Assigned for All Purposes to the
Honorable Elihu M. Berle, Dept.6]*

**DECLARATION OF DAVID MARA, ESQ.,
IN SUPPORT OF PLAINTIFF VALERIE
MAE LUNA'S MOTION FOR FINAL
APPROVAL OF CLASS AND PAGA
ACTION SETTLEMENT**

Date: June 13, 2023

Time: 9:00 a.m.

Date File: November 3, 2022

Trial Date: None Set

1 I, DAVID MARA, declare the following:

- 2 1. I am President of Mara Law Firm, PC, and counsel of record for Plaintiff and the putative
3 class in this matter. I am duly admitted to practice before all the courts of the state of
4 California. The following facts are within my personal knowledge and, if called to testify,
5 I could and would competently testify thereto.
- 6 2. I graduated from California Western School of Law.
- 7 3. I was admitted to practice law in California in May 2004.
- 8 4. I extensively handle employment cases which involve violations of the California Labor
9 Code and Industrial Welfare Commission Wage Orders, such as wage and hour class
10 actions and cases alleging violations of the Private Attorneys General Act of 2004
11 (“PAGA”).
- 12 5. I was co-class counsel in *Hohnbaum v. Brinker Restaurant Corp.* (San Diego County Superior
13 Court, Case No. GIC834348) which was the underlying case in the California Supreme
14 Court’s landmark decision in *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th
15 1004, in which the California Supreme Court delineated the scope of employer obligations to
16 provide, and employee rights to receive, meal and rest periods under California law.
- 17 6. I am frequently called upon to author Amicus Curiae briefs on behalf of Consumer Attorneys
18 of California (“CAOC”). For example, I authored the Amicus Curiae briefs on behalf of
19 CAOC in *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, (The California
20 Supreme Court ruling that, like meal periods, employers must relieve employees of all duty
21 and relinquish all control to satisfactorily discharge its obligation to authorize and permit rest
22 periods.); *Frlekin v. Apple, Inc.* (2020) 8 Cal.5th 1038 (The California Supreme Court ruling
23 that the time spent on the employer’s premises waiting for, and undergoing, required exit
24 searches of packages, bags, or personal technology devices voluntarily brought to work is
25 compensable hours worked within the meaning of the Wage Orders.); *Oliver v. Superior*
26 *Court* (2021) California Court of Appeal Case No. H049185 (A brief asking the California
27 Court of Appeal for the Sixth Appellate District to determine whether mandatory drive time
28 of personal vehicles should be considered hours worked within the meaning of the Wage

1 Orders' suffered or permitted test.). *Davidson v. O'Reilly Auto Enterprises, LLC* (9th Cir.,
2 2020; Docket No. 18-56188) (a brief seeking Review *En Banc* of an order denying class
3 certification in a wage and hour matter).

4 7. I am also a member of CAOC's Amicus Committee that determines the cases in which the
5 organization will agree to provide amicus support.

6 8. I have also lectured as a panelist for California Employment Lawyers Association
7 regarding a host of wage and hour issues.

8 9. My firm has been granted class certification in both state and federal courts.

9 10. I have been named as class counsel in a number of wage and hour class actions in which
10 the Court granted the plaintiff's motion for class certification. For example, I have been
11 named class counsel in the following cases: *Mario Norona v. B&G Delivery System, Inc.*
12 (Sacramento County Superior Court, Case No. 34-2015-00186826-CU-OE-GDS); *Jerald*
13 *Schroeder v. YRC, Inc.; et al.* (Central District of California, Case No. 12-cv-01374-TJH);
14 *John Martin v. Sysco Corporation, et al.* (Eastern District of California, Case No. 1:16-cv-
15 00990-DAD-SAB); *William Smith v. Werner Enterprises, Inc. d/b/a C.L. Werner, Inc.*
16 (District of Nebraska, Case No. 8:15-cv-287); *Thomas Perez v. City of San Diego* (San
17 Diego County Superior Court, Case No. 37-2014-00016621-CU-OE-CTL); *Eric Mendez*
18 *v. M&N Consulting, Inc. dba A-Line Messenger Service* (San Bernardino County Superior
19 Court, Case No. CIVDS1923624); *Denson Sales v. Professional Auto Transport, Inc. et al.*
20 (San Bernardino County Superior Court, Case No. CIVDS2010153); *Sonny Williams v.*
21 *Hansen and Adkins Auto Transport, Inc.; et al.* (San Bernardino County Superior Court,
22 Case No. CIVDS2020832); *Bobby Williams v. Mohsen Transport, Inc.* (San Diego County
23 Superior Court, Case No. 37-2019-00063361-CU-OE-CTL); and *Ashton Harden vs.*
24 *Mushiana Transport Inc.* (Sacramento County Superior Court, Case No. 34-2021-00301950-
25 CU-OE-GDS).

26 11. I have also been named as class counsel in numerous cases during the settlement process.
27 Here is a non-exhaustive list of cases where I have been named as class counsel in cases
28 during the settlement process: *Kenneth Cox v. 3PL Worx, et al.* (Yolo County Superior

1 Court, Case No. CV-18-100); *Brian Davidson v. A&B Trucking Services, Inc.* (Kern
2 County Superior Court Case No. BCV-16-102985); *Alex Vega, et al. v. Advance Beverage*
3 *Co., Inc.* (Kern County Superior Court, Case No. BCV-16-100848); *Jaime Ruiz v. Altura*
4 *Centers for Health* (Kern County Superior Court, Case No. BCV-19-101577); *George*
5 *Zamudio v. AmeriPride Service, Inc.* (Alameda County Superior Court, Case No.
6 RG1809666); *Richard Hendricks v. Antonini Freight Express, Inc.* (San Joaquin County
7 Superior Court, Case No. STK-CV-UOE-2016-6999); *Alton Davis v. Apria Healthcare*
8 *Group, Inc.* (San Diego County Superior Court, Case No. 37-2014-00004724-CU-OE-
9 CTL); *Alan Atchison v. Ashley Furniture Industries, Inc., et al.* (Central District of
10 California, Case No. 17-cv-00528-JAK-SP); *Bernard Payton v. Atech Logistics, Inc.*
11 (Sonoma County Superior Court, Case No. SCV 258595); *Ramon Jenkins v. Compass*
12 *Group USA, Inc., et al.* (Yolo County Superior Court, Case No. CVCV-18-747); *Timothy*
13 *Spikes, et al. v. Bear Trucking, Inc., et al.* (San Bernardino County Superior Court, Case
14 No. CIVDS1715151); *Joshua Turpen v. Benjamin's Transfer Inc.* (Solano County Superior
15 Court, Case No. FCS048845); *Cesar Mendoza v. Bi-Rite Food Service, Inc.* (San Mateo
16 County Superior Court, Case No. 17CIV02044); *Terrance Bailey v. Blue Apron, LLC; et*
17 *al.* (Northern District of California, Case No. 18-cv-07000-VC); *Jeffrey Weast v.*
18 *California Aseptic Beverages, LLC* (San Bernardino County Superior Court, Case No.
19 CIVDS1825256); *Michael Valentich v. Hub Construction Specialties, Inc.* (San Bernardino
20 County Superior Court, Case No. JCCPDS4893); *Jose De Jesus Ortega Velazquez v.*
21 *Hunter Landscape, Inc.; et al.* (San Bernardino County Superior Court, Case No.
22 CIVDS1928062); *Adrian Diaz v. Keystone Automotive Operations, Inc.* (Riverside County
23 Superior Court, Case No. RIC1817450); *Arturo Gonzalez v. NCI Group, Inc. dba NCI*
24 *Building Systems* (Eastern District of California, Case No. 18-cv-00948-AWI-SKO); *Larry*
25 *Perez v. The Nielsen Company (US), LLC* (Orange County Superior Court, Case No. 30-
26 2021-01194324-CU-OE-CXC); *Erik Martinez v. Patrick Industries, Inc.* (San Bernardino
27 County Superior Court, Case No. CIVDS2009663); *Randolph Fitch v. Shaw Industries,*
28 *Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVSB2024674); *Joshua*

1 *Rael v. Intercontinental Hotels Group Resources, Inc.* (Los Angeles County Superior
2 Court, Case No. 19STCV16010); and *Aaron Romero v. Vitro Flat Glass, LLC* (Kern
3 County Superior Court, Case No. BCV-21-101357).

4 12. On November 3, 2022, Plaintiff commenced this action by filing a Complaint alleging
5 causes of action against Defendant for (1) Failure to Pay All Straight Time Wages; (2)
6 Failure to Pay All Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to
7 Authorize and Permit Rest Periods; (5) Knowing and Intentional Failure to Comply with
8 Itemized Employee Wage Statement Provisions; (6) Waiting Time Penalties; (7) Violation
9 of Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.); and (8) Failure to adopt
10 a compliant sick pay/paid time off policy (Lab. Code §§233, 234, 246).

11 13. On October 24, 2022, Plaintiff provided notice to the Labor and Workforce Development
12 Agency (“LWDA”) and Defendant in accordance with the Private Attorneys General Act
13 of 2004 (“PAGA”). On January 1, 2023, Plaintiff filed a PAGA action which seeks civil
14 penalties pursuant to Cal. Lab. Code 2699 *et seq.* for violations of all claims in the class
15 action. The PAGA action was consolidated with the class action on March 15, 2023.

16 14. After filing, the Parties engaged in informal discovery. These discovery efforts led to
17 Defendant producing policy documents, such as the employee handbook that covered
18 employees’ employment with Defendant, and time and wage records. Included within these
19 documents were Defendant’s wage and hour policies, including its meal and rest period
20 policies. Defendant also produced time and wage records for a 20% random sampling of
21 the Class Members which Plaintiff’s Counsel analyzed. To determine which Class
22 Members would be included in the sampling, Plaintiff randomly selected employee
23 numbers and those employees were included in the sampling. As such, the sampling should
24 be reflective of the entire Class as the employees included in it were selected at random.
25 Defendant further produced Plaintiff’s personnel file and time and pay records. Plaintiff
26 also requested, and Defendant produced, data surrounding the number of current and
27 former employees, as well as the number of shifts and pay periods worked by Class
28 Members during the relevant time period and Class Members’ average rate of pay, to

1 establish a potential exposure model in preparation for mediation. From this discovery,
2 Plaintiff and her Counsel were able to analyze Defendant's liability in this action and
3 prepare a realistic damage model.

4 15. The Parties attended an all-day mediation presided over by Honorable Amy Hogue (Ret.)
5 on June 20, 2023. This mediation was successful. The Parties then met and conferred over
6 all the terms of the settlement and finalized their settlement in the Parties' Agreement. The
7 Parties' Agreement is attached hereto as **Exhibit 1**.

8 16. Class Counsel applies for an award of attorneys' fees in the sum of \$78,325.50 (33.33% of
9 the GSA), and litigation costs of \$12,010.66.

10 17. Class Counsel has worked 155 hours to date on this case and have calculated the lodestar
11 fee on those hours at \$106,350 at rates reflecting those currently earned in the marketplace.

12 18. All of the work and tasks performed by Class Counsel were reasonable and necessary to
13 the prosecution of this case and are reflected in the result achieved.

14 19. All services were performed by Class Counsel on a contingent basis.

15 20. As Class Counsel's lodestar fee is in excess of their fee request, a multiplier on their
16 lodestar fee is not sought herein.

17 21. Class Counsel's hourly rates are between \$600 and \$750 and are in line with rates typically
18 approved in wage and hour class action litigation and which rates have been approved by
19 Courts in California in the Los Angeles, Sacramento, San Francisco, Alameda, Orange and
20 San Diego County Superior Courts.

21 22. I devoted 89 hours to this case. The following is a summary of my tasks and activities
22 performed in the litigation of this matter: initial case intake with Plaintiff; research into
23 new case; pre-filing investigation and legal research; reviewing and revising initial
24 complaint in class action and related documents; researching and investigating legal issues
25 throughout case; interoffice discussions throughout case; discussions with Plaintiff
26 throughout case; investigating Defendant's pay-structures and policies for its employees;
27 reviewing and revising discovery requests to propound on Defendant; analyzing records
28 produced by Defendant relating to its policies, pay-structures, and time keeping; reviewing

1 and revising mediation brief and mediation damage and exposure model; preparing for and
2 attending mediation; reviewing and revising the settlement agreement and the Notice to the
3 Class; reviewing and revising preliminary approval motion and supporting papers; drafting
4 declaration in support of preliminary approval; reviewing weekly status reports from the
5 Settlement Administrator regarding Class participation; drafting declaration in support of
6 final approval; and reviewing and revising final approval motion and supporting
7 documents.

8 23. My hourly rate is \$750. Based on my hourly rate and the hours expended, 89, my fee is
9 \$66,750, which is reasonable and necessary to the successful litigation of this matter.

10 24. Jill Vecchi is a partner at Mara Law Firm, PC. She solely handles wage and hour class
11 actions and PAGA actions. Ms. Vecchi graduated from Santa Clara University School of
12 Law and was admitted to practice law in California in December 2014 and received her
13 undergraduate degree from University of California, Riverside in 2010. Ms. Vecchi has
14 been litigating wage and hour class actions for nine (9) years and has handled over one
15 hundred (100) class action and PAGA lawsuits.

16 25. Ms. Vecchi has been named as class counsel in the following certified cases as a result of
17 the court granting a motion for class certification: *Mario Norona v. B&G Delivery System,*
18 *Inc.* (Sacramento County Superior Court, Case No. 34-2015-00186826-CU-OE-GDS);
19 *Jerald Schroeder v. YRC, Inc.; YRC Worldwide, Inc.* (Central District of California, Case
20 No. 12-cv-01374-TJH); *John Martin v. Sysco Corporation; Sysco Central California, Inc.*
21 (Eastern District of California, Case No. 1:16-cv-00990-DAD-SAB); *Denson Sales, et al.*
22 *v. United Road Services, Inc. et al* (Northern District of California, Case No. 19-cv-08404-
23 JST); *Sonny Williams v. Hansen and Adkins Auto Transport, Inc.; et al.* (San Bernardino
24 County Superior Court, Case No. CIVDS2020832); *Bobby Williams v. Mohsen Transport,*
25 *Inc.* (San Diego County Superior Court, Case No. 37-2019-00063361-CU-OE-CTL); and
26 *Ashton Harden vs. Mushiana Transport Inc.* (Sacramento County Superior Court, Case No.
27 34-2021-00301950-CU-OE-GDS)..

28 26. Ms. Vecchi has also been named as class counsel in numerous cases during the settlement

1 process. Here is a non-exhaustive list of cases where Ms. Vecchi has been named as class
2 counsel in cases during the settlement process: *Kenneth Cox v. 3PL Worx, et al.* (Yolo
3 County Superior Court, Case No. CV-18-100); *Brian Davidson v. A&B Trucking Services,*
4 *Inc.* (Kern County Superior Court Case No. BCV-16-102985); *Alex Vega, et al. v. Advance*
5 *Beverage Co., Inc.* (Kern County Superior Court, Case No. BCV-16-100848); *Alton Davis*
6 *v. Apria Healthcare Group, Inc.* (San Diego County Superior Court, Case No. 37-2014-
7 00004724-CU-OE-CTL); *Timothy Spikes, et al. v. Bear Trucking, Inc., et al.* (San
8 Bernardino County Superior Court, Case No. CIVDS1715151); *Terrance Bailey v. Blue*
9 *Apron, LLC; et al.* (Northern District of California, Case No. 18-cv-07000-VC); *Jeffrey*
10 *Weast v. California Aseptic Beverages, LLC* (San Bernardino County Superior Court, Case
11 No. CIVDS1825256); *Michael Valentich v. Hub Construction Specialties, Inc.* (San
12 Bernardino County Superior Court, Case No. JCCPDS4893); *Jose De Jesus Ortega*
13 *Velazquez v. Hunter Landscape, Inc.; et al.* (San Bernardino County Superior Court, Case
14 No. CIVDS1928062); *Adrian Diaz v. Keystone Automotive Operations, Inc.* (Riverside
15 County Superior Court, Case No. RIC1817450); *Arturo Gonzalez v. NCI Group, Inc. dba*
16 *NCI Building Systems* (Eastern District of California, Case No. 18-cv-00948-AWI-SKO);
17 *Larry Perez v. The Nielsen Company (US), LLC* (Orange County Superior Court, Case No.
18 30-2021-01194324-CU-OE-CXC); *Erik Martinez v. Patrick Industries, Inc.* (San
19 Bernardino County Superior Court, Case No. CIVDS2009663); *Randolph Fitch v. Shaw*
20 *Industries, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVSB2024674);
21 *Joshua Rael v. Intercontinental Hotels Group Resources, Inc.* (Los Angeles County
22 Superior Court, Case No. 19STCV16010); and *Aaron Romero v. Vitro Flat Glass, LLC*
23 (Kern County Superior Court, Case No. BCV-21-101357).

24 27. Ms. Vecchi devoted 66 hours to this case. The following is a summary of her tasks and
25 activities performed in the litigation of this matter: interoffice discussions throughout case;
26 discussions with Plaintiff; draft discovery to propound on Defendant; draft case
27 management conference statements; draft stipulations; analyzing documents and
28 information produced by Defendant, including records produced by Defendant relating to

1 its policies, pay-structures, and time keeping; create document summary; discussions with
2 Defendant's counsel; perform an analysis on the sampling of Class Member time and wage
3 records; drafting and revising mediation brief and damage model; prepare for and attend
4 mediation; draft and revise settlement agreement; draft and revise preliminary approval
5 motion; working with Settlement Administrator during notice process; reviewing weekly
6 status reports from the Settlement Administrator regarding Class participation; reviewing
7 and revising Settlement Administrator's declaration; and drafting and revising motion for
8 final approval of the settlement.

9 28. Ms. Vecchi's hourly rate is \$600. Based on her hourly rate and the hours expended, 66, her
10 fee is \$39,350 which is reasonable and necessary to the successful litigation of this matter.

11 29. Class Counsel seeks reimbursement of the litigation costs and expenses of \$12,010.66.

12 30. A true and correct copy of the Westlaw Court's Express's Legal Billing Report, Volume
13 14, Number 3, California Region for December 2012 is attached as **Exhibit 2**.

14 31. A true and correct copy of the Declaration of Richard M. Pearl in *Hohnbaum v. Brinker*
15 *Restaurant Corp.* SDSC GIC834348 is attached as **Exhibit 3**.

16 32. A true and correct copy of the 2012 National Law Journal Survey of Hourly Billing Rates
17 for Partners and Associates is attached as **Exhibit 4**.

18 33. A true and correct copy of a Summary of Time and Costs is attached hereto as **Exhibit 5**.

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

21 Dated: April 11, 2024

MARA LAW FIRM, PC

22
23 

24 David Mara, Esq.
25 Attorneys for Plaintiff VALERIE MAE LUNA on
26 behalf of herself, all others similarly situated, and on
27 behalf of the general public
28

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 Valeria Mae Luna (“Plaintiff” or “Class Representative”) and defendant Accu Bio-Chem Laboratories, LLC (“ABCL” or “Defendant”). The Agreement refers to Plaintiff and ABCL collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Actions” mean the Plaintiff’s lawsuits alleging wage and hour violations against ABCL captioned *Valerie Mae Luna v. Accu Bio-Chem Laboratories, LLC; and DOES 1-100*, Los Angeles County Superior Court Case No. 22STCV35014 (“Class Action”) initiated on November 3, 2022, and *Valerie Mae Luna v. Accu Bio-Chem Laboratories, LLC; and DOES 1-100*, Los Angeles County Superior Court Case No. 23STCV00560 (“PAGA Action”) initiated on January 1, 2023. Upon stipulation between the Parties the Court ordered the PAGA Action and the Class Action consolidated on or around March 15, 2023.
- 1.2 “Administrator” means APEX Class Action Administration, 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 all individuals who worked for Defendant as non-exempt hourly employees in California during the PAGA Period.
- 1.5 “Class” or “Class Members” means all individuals who worked for ABCL as non-exempt hourly employees in California at any time during the Class Period.
- 1.6 “Class Counsel” means David Mara, Esq., and Jill Vecchi, Esq., of Mara Law Firm, PC.
- 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 ABCL’s possession 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 November 3, 2018, to August 19, 2023.
- 1.13 “Class Representative” means the named Plaintiff in the operative complaint in the Actions 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 Los Angeles.
- 1.16 “ABCL” means named Defendant Accu Bio-Chem Laboratories, LLC.
- 1.17 “Defense Counsel” means Shant H. Hagopian, Esq., of Hagopian Law Firm, APC.
- 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 \$235,000 which is the total amount ABCL agrees 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 Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks 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, subdivision (i).
- 1.27 “LWDA PAGA Payment” means 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (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 ABCL for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from October 24, 2021, to August 19, 2023.
- 1.32 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).
- 1.33 “PAGA Notice” means Plaintiff Valerie Mae Luna’s October 24, 2022, letter to ABCL and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$25,000), allocated 25% to the Aggrieved Employees (\$6,250) and the 75% to LWDA (\$18,750) 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 Valerie Mae Luna the named plaintiff in the Actions.
- 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 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means ABCL and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns.
- 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 45 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, her, or their 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 ABCL for at least one day, during the Class Period.

2. RECITALS.

- 2.1 On November 3, 2022, Plaintiff commenced the Class Action by filing a Complaint alleging causes of action against ABCL for 1) Failure to Pay All Straight Time Wages; 2) Failure to Pay Overtime Wages; 3) Failure to Provide Meal Periods; 4) Failure to Authorize and Permit Rest Periods; 5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions; 6) Waiting Time Penalties; 7) Violation of Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.); and 8) Failure to adopt a compliant sick pay/paid time off policy (Lab. Code §§233, 234, 246). On January 1, 2023, Plaintiff filed the PAGA Action which seeks civil penalties pursuant to Cal. Lab. Code 2699 *et seq.* for violations of all claims in the Class Action. The PAGA Action was consolidated with the Class Action on March 15, 2023. ABCL denies the allegations in the complaints, denies any failure to comply with the laws identified in the complaints and denies any and all liability for the causes of action alleged.
- 2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to ABCL and the LWDA by sending the PAGA Notice.
- 2.3 On June 20, 2023, the Parties participated in an all-day mediation presided over by Honorable Amy Hogue (Ret.) which led to this Agreement to settle the Actions.

- 2.4 Prior to mediation, Plaintiff obtained, through informal discovery, all relevant wage and hour policies that applied to Class Members. ABCL also produced time and pay records for a twenty percent (20%) sampling of the Class Members. ABCL further produced Plaintiff's time and pay records and personnel file. 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 8 below, ABCL promises to pay \$235,000 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. ABCL has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to ABCL.
- 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 \$10,000 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). ABCL 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 33.33%, which is currently estimated to be \$78,325.50, and a Class Counsel Litigation Expenses Payment of not more than \$25,000. ABCL will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel

will 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 Plaintiffs 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 ABCL harmless, and indemnifies ABCL, 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 \$10,000 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 \$10,000, 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. 50% 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. The 50% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for (e.g., 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. Any amounts allocated to Non-Participating Class Members' Individual Class Payments will be added to the Net Settlement Amount for distribution to Participating Class Members.
- 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,000 to be paid from the Gross Settlement Amount, with 75% (\$18,750), allocated to the LWDA PAGA Payment and 25% (\$6,250) 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 (\$6,250) 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 to date, ABCL estimates there are 73 Class Members who collectively worked a total of 8,432 Workweeks, and 39 Aggrieved Employees who worked a total of 1,404 PAGA Pay Periods.
- 4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, ABCL 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. ABCL has 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 ABCL 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. ABCL shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay ABCL's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.
- 4.4 Payments from the Gross Settlement Amount. Within 14 days after ABCL funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of 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 United States Postal Service ("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 represented by such checks to The United Way ("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 ABCL 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 ABCL fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff and Class Members will release claims against all Released Parties as follows:

- 5.1 Plaintiff's Release. Plaintiff and 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 Complaints and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaints, 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 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 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: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release the Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaints, including, e.g., 1) Failure to Pay All Straight Time Wages; 2) Failure to Pay All Overtime Wages; 3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, IWC Wage Order No. 4-2001(11); Cal. Code Regs., tit. 8 § 11090); 4) Failure to Authorize and Permit Rest Periods (Lab. Code § 226.7; IWC Wage Order No. 4-2001(12); Cal. Code Regs. tit. 8 § 11040); 5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions (Lab. Code §§ 226, 1174, 1175); 6) Waiting Time Penalties; 7) Violation of Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.); and 8) Failure to adopt a compliant sick pay/paid time off policy (Lab. Code §§233, 234, 246). This release will be for the Class Period. Except as set forth in Section 5.3 of this 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.

5.3 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaints, and the PAGA Notice. This release will be for the PAGA Period.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

- 6.1 ABCL’s Declaration in Support of Preliminary Approval. Within 10 business days of the full execution of this Agreement, ABCL will prepare and deliver to Class Counsel a signed Declaration from ABCL and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and ABCL shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and/or the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator and/or the proposed Cy Pres; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a), Operative Complaint (Lab. Code, § 2699, subd. (1)(1)), this Agreement (Lab. Code, § 2699, subd. (1)(2))); (vii) a redlined version of the parties’ Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/ or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than September 1, 2023, per the Court’s Order, in advance of the October 2, 2023, preliminary approval hearing date; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

- 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting via Zoom or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting via Zoom or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected APEX Class Action Administration to serve as the Administrator and verified that, as a condition of appointment, APEX Class Action Administration 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 the purposes of calculating payroll tax withholdings and providing reports to the 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 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 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, ABCL, 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, which ever 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 45 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/their 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 45 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 oral 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 45 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 undelivered, 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 providing 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 7 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 disburses 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, ABCL estimates that, as of the date of this Settlement Agreement, (1) there are 73 Class Members and 8,432 Total Workweeks during the Class period and (2) there were 39 Aggrieved Employees who worked 1,404 Pay Periods during the PAGA Period.

8.1 Escalator Clause. At the mediation, there were approximately 73 Class Members. If by the time the administrator receives the class data, the Class Members increase by more than 10%, Plaintiff shall have the right to demand a pro-rata increase from ABCL to the GSA and the right, but not obligation, to terminate the Settlement if ABCL refuses to such an increase in the GSA.

9. ABCL'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, ABCL may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if ABCL withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, ABCL will remain responsible for paying all Settlement Administration Expenses incurred to that point. ABCL 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, subdivision (1), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later

than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer via Zoom or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the 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 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 the Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

- 12.1 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 ABCL that any of the allegations in the Operative Complaint have merit or that ABCL has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that ABCL's 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, ABCL reserves the right to contest certification of any class for any reasons, and ABCL reserves 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 ABCL's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, ABCL 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, ABCL 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 restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3 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 restrict

Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 12.4 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.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and ABCL, 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.
- 12.6 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.
- 12.7 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.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, ABCL nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by ABCL in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the 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 ABCL unless, prior to the Court's discharge of the Administrator's obligation, ABCL makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 12.15 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.
- 12.16 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.
- 12.17 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:

David Mara, Esq.

Jill Vecchi, Esq.

MARA LAW FIRM, PC

2650 Camino Del Rio North, Suite 302

San Diego, California 92108

Email: dmara@maralawfirm.com; jvecchi@maralawfirm.com

To ABCL:

Shant H. Hagopian, Esq.

HAGOPIAN LAW FIRM

15760 Ventura Blvd., Suite 700

Encino, California 91436

Email: shant@hagopianlawfirm.com


12.18 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.

12.19 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 Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583 .310 for the entire period of this settlement process.

VALERIE MAE LUNA

8/23/2023

By:

DocuSigned by:

7AABAF84C865466...

Plaintiff

ACCU BIO-CHEM LABORATORIES, LLC

By:

Defendant

By: _____

MARA LAW FIRM, PC

8/23/2023

By:

DocuSigned by:

4579A5166C10447...

David Mara

Jill Vecchi

Attorneys for Plaintiff and the Class Members/Aggrieved Employees

HAGOPIAN LAW FIRM

By:

Shant H. Hagopian, Esq.

Attorneys for Defendant

- 12.18 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.
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VALERIE MAE LUNA

By:

Plaintiff

ACCU BIO-CHEM LABORATORIES, LLC

By:

Vano Baghdasarian
Vano Baghdasarian (Aug 27, 2023 21:41 PDT)

Defendant

By: Vano Baghdasarian, CEO
ACCU Bio-Chem Laboratories, LLC

MARA LAW FIRM, PC

By:

David Mara
Jill Vecchi
Attorneys for Plaintiff and the Class Members/Aggrieved Employees

HAGOPIAN LAW FIRM

By:

/s/ Shant H. Hagopian
Shant H. Hagopian, Esq.
Attorneys for Defendant

EXHIBIT A

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

Valerie Mae Luna v. Accu Bio-Chem Laboratories, LLC; and DOES 1-100, Los Angeles County Superior Court Case Nos. 22STCV35014 and 23STCV00560

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 Accu Bio-Chem Laboratories, LLC (herein referred to as "ABCL") for alleged wage and hour violations. The Action was filed by a former ABCL employee Valerie Mae Luna (referred to as the "Plaintiff") and seeks payment of (1) back wages and penalties for a class of non-exempt hourly employees who worked for ABCL in California during the Class Period of November 3, 2018, to August 19, 2023, (these individuals are referred to as the "Class Members") and (2) penalties under the California Private Attorney General Act ("PAGA") for all non-exempt hourly employees who worked for ABCL in California during the PAGA Period of October 24, 2021 to August 19, 2023 (these individuals are referred to as the "Aggrieved Employees").

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

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

The above estimates are based on ABCL's 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 ABCL to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against ABCL.

If you worked for ABCL 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 ABCL.
- 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 ABCL, 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.

ABCL 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

<p>You Don't Have to Do Anything to Participate in the Settlement</p>	<p>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 ABCL that are covered by this Settlement (Released Claims).</p>
<p>You Can Opt-out of the Class Settlement but not the PAGA Settlement</p> <p>The Opt-out Deadline is _____</p>	<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. ABCL 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>
<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by _____</p>	<p>All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and 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>You Can Participate in the _____ The Final Approval Hearing</p>	<p>The Court’s Final Approval Hearing is scheduled to take place on _____. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>
<p>You Can Challenge the Calculation of Your Workweeks/Pay Periods</p> <p>Written Challenges Must be Submitted by _____</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 ABCL’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.</p>

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former ABCL employee. The Action accuses ABCL of violating California labor laws by failing to pay straight and overtime wages, wages due upon termination, failing to provide meal periods, rest breaks, compliant sick pay/time off policies, 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 (Lab. Code, § 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action:

David Mara, Esq.
 Jill Vecchi, Esq.
MARA LAW FIRM, PC
 2650 Camino Del Rio North, Suite 302
 San Diego, California 92108
 Telephone: (619) 234-2833
 Email: dmara@maralawfirm.com; jvecchi@maralawfirm.com

(Plaintiff’s attorneys are referred to as “Class Counsel.”)

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

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

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

In the meantime, Plaintiff and ABCL hired an experienced, neutral mediator who is a retired judge in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing

to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and ABCL 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, ABCL does 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) ABCL has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. ABCL Will Pay \$235,000 as the Gross Settlement Amount (Gross Settlement). ABCL has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorneys' 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, ABCL will fund the Gross Settlement not more than 14 days 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.
2. 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:
 - A. Up to \$78,325.50 (33.33% 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.
 - B. Up to \$10,000 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.
 - C. Up to \$10,000 to the Administrator for services administering the Settlement.
 - D. Up to \$25,000 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.

3. 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.
4. Taxes Owed on Payments to Class Members. Plaintiff and ABCL are asking the Court to approve an allocation of 50% of each Individual Class Payment to taxable wages (Wage Portion) and 50% to penalties and interest (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. ABCL 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 ABCL 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.

5. 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 irrevocably lost to you because they will be paid to a non-profit organization or foundation the United Way (“Cy Pres”).
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their 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 ABCL.

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 ABCL based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and ABCL have agreed that, in either case, the Settlement will be void: ABCL will not pay any money and Class Members will not release any claims against ABCL.
8. Administrator. The Court has appointed a neutral company, APEX Class Action Administration (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and ABCL has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue or be part of any other lawsuit against ABCL 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 the Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint including, e.g., 1) Failure to Pay All Straight Time Wages; 2) Failure to Pay All Overtime Wages; 3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, IWC Wage Order No. 4- 2001(11); Cal. Code Regs., tit. 8 § 11090); 4) Failure to Authorize and Permit Rest Periods (Lab. Code § 226.7; IWC Wage Order No. 4-2001(12); Cal. Code Regs. tit. 8 § 11040); 5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions (Lab. Code §§ 226, 1174, 1175); 6) Waiting Time Penalties; 7) Violation of Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.); and 8) Failure to adopt a compliant sick pay/paid time off policy (Lab. Code §§233, 234, 246). This release will be for the Class Period. 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.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and ABCL has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against ABCL, 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 ABCL 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, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice. This release will be for the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. 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.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$_____ 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.
3. 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 ABCL's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept ABCL's calculation of Workweeks and/or Pay Periods based on ABCL's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges

based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and ABCL's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. 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.
2. 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 *Valerie Mae Luna v. Accu Bio-Chem Laboratories, LLC* 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 _____, 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 ABCL are asking the Court to approve. At least 16 court days before the 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 at: _____ URL or the Court's website by searching for Case Number "22STCV35014" at: https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil_

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 _____. 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 *Valerie Mae Luna v. Accu Bio-Chem Laboratories, LLC* and include your name, current address, telephone number and approximate dates of employment for ABCL 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 _____ (time) in Department 6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. 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 comments from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything ABCL 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 the settlement website at _____ (url) You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil> and entering the Case Number for the Action, Case No. 22STCV35014. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

David Mara, Esq.
Jill Vecchi, Esq.
MARA LAW FIRM, PC
2650 Camino Del Rio North, Suite 302
San Diego, California 92108
Telephone: (619) 234-2833
Email: dmara@maralawfirm.com; jvecchi@maralawfirm.com

Settlement Administrator:

Name of Company: APEX Class Action Administration
Email Address:
Mailing Address:
Telephone:
Fax Number:

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 will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit 2

Westlaw Court Express

LEGAL BILLING REPORT

VOLUME 14, NUMBER 3

December 2012

CA REGION

BY REGION, BY FIRM

Table of Contents (Alphabetical by Firm Name)

<u>FIRM</u>	<u>PAGE</u>
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California Report

FIRM
 Alan Gomp Strauss Hauer & Field LLP
 Partner David P. Simonds
 Senior Counsel Edward P. Christian

	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
	1993	1993	CA	\$ 825.00	8.10	\$ 6,682.50
	1995	1995	CA	725.00	2.60	1,885.00
TOTAL					10.70	\$ 8,567.50

U.S.B.C. New York Southern
Private Airline Carriers (REG)
 From the fee application covering
 July 1, 2012 through October 31, 2012
 NJ Ranking: 40
 Firm Size: 791

U.S.B.C. Delaware
Tribent Microsystems, Inc. (12-10069 (CSS))
 From the fee application covering
 October 1, 2012 through October 31, 2012
 NJ Ranking: 2
 Firm Size: 3,348

DLA Piper LLP

Partner	Nate McKlerick	1989	CA	\$ 790.00	0.60	\$ 474.00
Partner	Richard Yankovich	1979	CA	780.00	39.40	30,732.00
Partner	Ain Lawencia	1988	CA	765.00	90.30	68,176.50
Partner	Heather Dorn	2000	CA	705.00	1.30	816.50
Partner	Jeffrey D. Aaronson	1996	CA	650.00	12.70	8,255.00
Of Counsel	Ben Gipsen	2002	CA	640.00	3.10	1,984.00
Associate	Bethand Pan	2004	CA	630.00	170.00	107,100.00
Associate	Diana M. Melzer	2008	CA	510.00	67.00	34,170.00
Associate	Niracha Heleh	2011	CA	470.00	1.80	846.00
Associate	Thra Bhanshal	2000	CA	400.00	4.10	1,640.00
TOTAL					390.30	\$ 254,294.00

U.S.B.C. New York Southern
Lightsquared, Inc (12-12080 SCC)
 From the fee application covering
 October 1, 2012 through October 31, 2012
 NJ Ranking: 21
 Firm Size: 1,039

Gibson Dunn & Crutcher, LLP

Associate	Virgile Pitt	2010	CA	\$ 445.00	18.20	\$ 8,544.00
Associate	Matthew Bouslog	2011	CA	395.00	12.60	4,977.00
TOTAL					31.80	\$ 13,521.00

California Report

U.S.B.C California Northern
 Howrey LLP (44-31376-DJH)
 From the fee application covering
 August 1, 2012 through August 31, 2012
 NJ Ranking: n/a
 Firm Size: 3

U.S.B.C California Central
 American Medical Technicians (8-12-12333-MW)
 From the fee application covering
 July 1, 2012 to September 30, 2012
 NJ Ranking: 144
 Firm Size: 301

U.S.B.C California Central
 American Medical Technicians (8-12-12333-MW)
 From the fee application covering
 July 1, 2012 to July 31, 2012
 NJ Ranking: n/a
 Firm Size: 55

FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Kornfield, Nyberg, Bondes & Kuhner, P.C.	1987	1987	CA	\$ 495.00	16.90	\$ 7,482.50
Partner: Eric A. Nyberg				\$ 90.00	0.30	\$ 24.00
Paraprofessional: Nancy L. Nyberg					17.20	\$ 7,206.50
TOTAL						

FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Loeb & Loeb	1987	1987	CA	\$ 695.00	1.50	\$ 1,042.50
Partner: Lance N. Jurich	1999	2000	CA	\$ 550.00	46.20	\$ 30,030.00
Partner: Christopher W. Campbell	2007	2007	CA	\$ 550.00	122.30	\$ 67,255.00
Associate: Ryan M. Auerin	1993	1993	CA	\$ 435.00	18.20	\$ 7,917.00
Associate: Jeanina C. Wanness					0.20	\$ 62.00
Paraprofessional: S. Steadman					16.80	\$ 106,864.50
TOTAL						

FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Pachtulski Stang Ziehl Young Jones & Weintraub	1976	1976	CA	\$ 745.00	0.10	\$ 74.50
Of Counsel: James K. T. Hunter	1995	1995	CA	\$ 725.00	40.90	\$ 29,652.50
Partner: Samuel R. Matzel	1984	1984	CA	\$ 615.00	0.50	\$ 307.50
Of Counsel: Jeffrey Kantel	1997	1997	CA	\$ 615.00	1.80	\$ 1,107.00
Partner: Mehra S. Pargay	1980	1980	CA	\$ 515.00	47.80	\$ 25,397.00
Partner: Scotta McFarland	1976	1976	CA	\$ 595.00	3.80	\$ 2,261.00
Of Counsel: Mary Lane	1995	1995	CA	\$ 595.00	0.50	\$ 297.50
Partner: Nina Hong	2004	2004	CA	\$ 495.00	8.40	\$ 4,158.00
Associate: Teddy M. Kapur					1.10	\$ 524.50
Librarian: Leslie A. Forrester					23.00	\$ 6,325.00
Paraprofessional: Felice Harrison					127.90	\$ 73,904.50
TOTAL						

California Report

FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Pactwaik & Steng Ziehl Young Jones & Weintraub						
Partner	1979	1979	CA	\$ 975.00	0.80	\$ 780.00
Richard M. Pechulski	1982	1983	CA	875.00	12.80	11,200.00
Partner	1978	1976	CA	745.00	4.00	2,980.00
Of Counsel	1983	1988	CA	745.00	50.80	37,845.00
Partner	1983	1984	CA	725.00	11.10	8,047.50
John O. Fiero	1987	1987	CA	675.00	15.80	10,452.50
Partner	1987	1987	CA	595.00	5.20	3,094.00
Of Counsel	1980	1980	CA	575.00	4.30	2,472.50
Of Counsel	1980	2010	CA	285.00	31.00	16,275.00
Associate	2004		CA	265.00	2.50	862.50
Paraprofessional				285.00	7.70	2,040.50
Paraprofessional				265.00	1.00	265.00
Paraprofessional				185.00	5.40	983.00
Case Management				185.00	0.40	74.00
Case Management					152.50	\$ 57,198.50
TOTAL						

FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Paul Hastings LLP						
Partner	1976	1976	CA	\$ 840.00	15.80	\$ 13,272.00
J. Al Latham, Jr.	1983	1983	CA	765.00	152.40	115,062.00
Of Counsel	2006	2005	CA	675.00	31.10	19,128.50
Associate	2007	2008	CA	575.00	181.70	104,477.50
Associate	2009	2009	CA	485.00	87.10	42,243.50
Associate	2010	2010	CA	385.00	57.00	37,345.00
Associate	2010	2010	CA	385.00	160.20	81,577.00
Associate					725.30	\$ 393,203.50
TOTAL						

FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Seyfarth Shaw LLP						
Counsel	1996	1996	CA	\$ 580.00	2.40	\$ 1,852.00
Partner	1985	1985	CA	620.00	1.50	930.00
Counsel	1997	1997	CA	540.00	56.60	30,564.00
Holger Basch					60.50	\$ 33,436.00
TOTAL						

U.S.B.C Delaware
Trident Microsystems, Inc. (12-10089 (CSS))
 From the fee application covering
 September 1, 2012 through September 30, 2012
 NJ Ranking: n/a
 Firm Size: 55

U.S.B.C New York Southern
AMR Corporation (12-15263 (SHL))
 From the fee application covering
 July 1, 2012 through July 31, 2012
 NJ Ranking: 30
 Firm Size: 851

U.S.B.C New York Southern
Grubb & Ellis Company (12-10665 (MG))
 From the fee application covering
 July 2, 2012 through October 31, 2012
 NJ Ranking: 50
 Firm Size: 733

California Report

FIRM
Sidley Austin LLP

	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Partner	1995	1995	CA	\$ 875.00	18.10	\$ 12,217.50
Associate	2010	2010	CA	450.00	117.50	53,063.00
Associate	2011	2011	CA	355.00	41.00	14,555.00
TOTAL					177.00	\$ 79,827.50

U.S.B.C Delaware
Tribune Company, et al., (08-13141 (FCJ))

From the fee application covering
September 1, 2012 through September 30, 2012

NLI Ranking: 10
Firm Size: 1,592

Tenys LLP

	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
Partner	1993	1993	CA	\$ 995.00	5.50	\$ 5,472.50
Partner	1974	1974	CA	995.00	0.40	398.00
Partner	1977	1977	CA	810.00	0.50	405.00
Associate	2008	2008	CA	695.00	21.10	14,664.50
Associate	2007	2007	CA	565.00	110.00	62,150.00
Associate	2008	2008	CA	500.00	0.50	250.00
Library				355.00	0.80	284.00
Law Clerk				250.00	43.90	13,589.50
Paraprofessional				250.00	28.20	7,332.00
Paraprofessional					210.90	104,245.50
TOTAL					210.90	\$ 104,245.50

U.S.B.C Delaware
Nettel Networks Inc. (09-10139)

From the fee application covering
August 1, 2012 through October 31, 2012

NLI Ranking: n/a
Firm Size: 236

Westlaw Court Express

LEGAL BILLING REPORT

VOLUME 14, NUMBER 3

December 2012

CA REGION

BY BILLING RATE

California Rate Report

PROFESSIONAL	FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
		1983	1983	CA	\$	5.50	\$
Partner	John Cameron	1983	1983	CA	995.00	5.50	5,472.50
Partner	Shelia Block	1974	1974	CA	395.00	0.40	398.00
Partner	Pachulski Stang Ziehl Young Jones & Weintraub	1979	1979	CA	875.00	0.80	780.00
Partner	Ira D. Kharesch	1982	1982	CA	875.00	12.80	11,200.00
Partner	J. Al. Latham, Jr.	1978	1978	CA	840.00	15.80	13,272.00
Partner	David P. Stronids	1983	1983	CA	825.00	9.10	6,682.50
Partner	Michael Rolszala	1977	1977	CA	810.00	0.50	405.00
Partner	Nate Mackitnick	1989	1989	CA	780.00	0.60	474.00
Partner	Richard Yanovich	1979	1979	CA	760.00	39.40	30,732.00
Partner	Ann Lawchona	1989	1989	CA	755.00	50.30	66,176.50
Of Counsel	Jennifer S. Baldocchi	1983	1983	CA	755.00	152.40	115,062.00
Partner	James K.T. Hunter	1976	1976	CA	745.00	0.10	74.50
Partner	James K.T. Hunter	1976	1976	CA	745.00	4.00	2,980.00
Partner	Edward P. Christian	1989	1989	CA	745.00	50.60	37,846.00
Partner	Samuel R. Malzel	1985	1985	CA	725.00	2.60	1,895.00
Partner	Bruce Grohschal	1985	1985	CA	725.00	40.90	29,682.50
Partner	Heather Dunn	1983	1984	CA	725.00	11.10	8,077.50
Partner	DLA Piper LLP	2000	2000	CA	705.00	1.30	916.50
Associate	Lance N. Jurth	1987	1987	CA	695.00	1.90	1,320.50
Associate	Jessica Bullock	2003	2003	CA	695.00	21.10	14,654.50
Of Counsel	Ellen Stueda	1993	1993	CA	690.00	2.40	1,632.00
Of Counsel	Henry Hochman	1987	1987	CA	675.00	16.50	10,462.50
Partner	Max C. Fischer	1985	1985	CA	675.00	18.70	12,217.50
Partner	Jeffrey D. Aaronson	1988	1986	CA	650.00	12.70	6,255.00
Partner	DLA Piper LLP	1988	1988	CA	650.00	46.20	30,030.00
Of Counsel	Christopher W. Campbell	1989	2000	CA	650.00	3.70	1,954.00
Associate	Ben Gibson	2002	2002	CA	640.00	3.70	1,954.00
Associate	Bertrand Pan	2004	2004	CA	630.00	170.00	107,100.00
Partner	Colleen M. Regan	1985	1985	CA	620.00	1.50	930.00
Of Counsel	Jeffrey Kandel	1984	1984	CA	615.00	0.50	307.50
Partner	Malhar S. Peasw	1984	1984	CA	615.00	1.60	1,107.00
Partner	Scott McFarland	1980	1980	CA	615.00	47.80	29,337.00
Associate	Melinda A. Gordon	2009	2008	CA	615.00	31.10	19,126.50
Of Counsel	Mary Lane	1976	1976	CA	595.00	3.90	2,261.00
Partner	Nina Hong	1995	1995	CA	595.00	0.90	287.50
Of Counsel	Gabriele Rohrer	1997	1997	CA	595.00	5.20	3,094.00

California Rate Report

PROFESSIONAL	FIRM	GRADUATED	ADMITTED	STATE	RATE	HOURS	TOTAL
		1980	1980	CA	\$		\$
Of Counsel	Pachulski Stang Ziehl Young Jones & Weintraub	1980	1980	CA	875.00	4.30	2,472.50
Associate	Paul Hastings LLP	2007	2008	CA	575.00	191.70	104,477.50
Associate	Tony's LLP	2007	2007	CA	595.00	110.00	62,150.00
Associate	Loeb & Loeb	2007	2007	CA	550.00	122.30	67,265.00
Counsel	Seyfarth Shaw LLP	1997	1997	CA	640.00	56.60	30,954.00
Associate	Pachulski Stang Ziehl Young Jones & Weintraub	2004	2010	CA	525.00	31.00	16,275.00
Associate	DLA Piper LLP	2008	2008	CA	510.00	87.00	34,170.00
Associate	Madhav Akroy	2008	2008	CA	500.00	8.50	250.00
Associate	Teddy M. Kapur	2004	2008	CA	495.00	8.40	4,158.00
Associate	Paul Hastings LLP	2009	2009	CA	485.00	87.10	42,243.50
Associate	DLA Piper LLP	2011	2011	CA	470.00	1.80	845.00
Associate	Sidley Austin LLP	2010	2010	CA	450.00	117.50	53,055.00
Associate	Gibson Dunn & Crutcher, LLP	2010	2010	CA	445.00	19.20	8,544.00
Partner	Loeb & Loeb	1993	1993	CA	435.00	18.20	7,917.00
Associate	Kornfield, Nyberg, Bendes & Kuhnert, P.C.	1987	1987	CA	425.00	16.90	7,182.50
Associate	DLA Piper LLP	2000	2000	CA	400.00	4.10	1,640.00
Associate	Gibson Dunn & Crutcher, LLP	2011	2011	CA	395.00	12.60	4,977.00
Associate	Paul Hastings LLP	2010	2010	CA	385.00	97.00	37,545.00
Associate	Paul Hastings LLP	2010	2010	CA	385.00	160.20	61,677.00
Associate	Sidley Austin LLP	2011	2011	CA	355.00	41.00	14,555.00
Law Clerk	Tony's LLP			CA	305.00	0.80	284.00
Law Clerk	Tony's LLP			CA	305.00	43.90	13,389.50
Paraprofessional	Paul Hastings LLP			CA	295.00	1.10	324.50
Paraprofessional	Pachulski Stang Ziehl Young Jones & Weintraub			CA	275.00	23.00	5,325.00
Paraprofessional	Paul Hastings LLP			CA	265.00	2.50	662.50
Paraprofessional	Pachulski Stang Ziehl Young Jones & Weintraub			CA	255.00	7.70	2,047.50
Paraprofessional	Pachulski Stang Ziehl Young Jones & Weintraub			CA	255.00	1.00	265.00
Paraprofessional	Loeb & Loeb			CA	260.00	0.20	52.00
Paraprofessional	Tony's LLP			CA	260.00	28.20	7,392.00
Case Manager	Pachulski Stang Ziehl Young Jones & Weintraub			CA	185.00	5.40	988.00
Case Manager	Pachulski Stang Ziehl Young Jones & Weintraub			CA	185.00	0.40	74.00
Paraprofessional	Kornfield, Nyberg, Bendes & Kuhnert, P.C.			CA	80.00	0.30	24.00

Exhibit 3

1 DEBRA L. HURST (SBN 106118)
2 KYLE VAN DYKE (SBN 171186)
3 JULIE CORBO RIDLEY (SBN 234274)
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Telephone: 619.239-1233
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10 Additional Counsel Listed After Signature Page
11 Attorneys for Plaintiffs and the certified Class

12
13 **SUPERIOR COURT OF CALIFORNIA**
14 **FOR THE COUNTY OF SAN DIEGO, CENTRAL DIVISION**

15
16 ADAM HOHNBAUM, ILLYA HAASE,
17 ROMEO OSORIO, AMANDA JUNE RADER,
18 and SANTANA ALVARADO and ROES 1
19 through 500, Inclusive on behalf of themselves
20 and all others similarly situated, and on behalf
21 of the general public,

Plaintiffs,

v.

22 **BRINKER RESTAURANT CORPORATION,**
23 **BRINKER INTERNATIONAL, INC. and**
24 **BRINKER INTERNATIONAL PAYROLL**
25 **COMPANY, LP a Delaware Corporation; and**
26 **DOES 1 through 500, Inclusive**

Defendants.

CASE NO.: GIC834348

CLASS ACTION

DECLARATION OF RICHARD M.
PEARL IN SUPPORT OF PLAINTIFFS'
UNOPPOSED MOTION FOR FINAL
APPROVAL AND OF CLASS ACTION
SETTLEMENT AND MOTION FOR
AWARD OF ATTORNEYS' FEES,
COSTS, CLASS REPRESENTATIVE
SERVICE PAYMENTS, AND CLAIMS
ADMINISTRATION EXPENSES

Date: December 12, 2014

Time: 1:30 p.m.

Dept.: C-69

Judge: Hon. Katherine A. Bacal

Complaint Filed: August 16, 2004

1 I, RICHARD M. PEARL, hereby declare the following:

2 1. I am a member in good standing of the California State Bar. I am in
3 private practice as the principal of my own law firm, the Law Offices of Richard
4 M. Pearl, in Berkeley, California. I specialize in issues related to court-awarded
5 attorneys' fees, including the representation of parties in fee litigation and
6 appeals, serving as an expert witness, and serving as a mediator and arbitrator in
7 disputes concerning attorneys' fees and related issues. In this case, I have been
8 asked by Plaintiffs' counsel to render my opinion on the reasonableness of the
9 hourly rates they are requesting in this matter. I make this Declaration in Support
10 of Plaintiffs' Motion for Award of Reasonable Attorneys' Fees.

11 **Professional Background**

12 1. Briefly summarized, my background is as follows: I am a 1969
13 graduate of Boalt Hall School of Law, University of California, Berkeley,
14 California. I took the California Bar Examination in August 1969 and passed it in
15 November of that year, but because I was working as an attorney in Atlanta,
16 Georgia for the Legal Aid Society of Atlanta (LASA), I was not admitted to the
17 California Bar until January 1970. I worked for LASA until summer of 1971,
18 when I then went to work in California's Central Valley for California Rural Legal
19 Assistance, Inc. (CRLA), a statewide legal services program. From 1977 to 1982,
20 I was CRLA's Director of Litigation, supervising more than fifty attorneys. In
21 1982, I went into private practice, first in a small law firm, then as a sole
22 practitioner. Martindale Hubbell rates my law firm "AV." I also have been
23 selected as a Northern California "Super Lawyer" in Appellate Law for 2005,
24 2006, 2007, 2008, 2010, 2011, 2012, 2013, and 2014. A copy of my current
25 Resume is attached hereto as Exhibit A.

26 2. Since 1982, my practice has been a general civil litigation and
27 appellate practice, with an emphasis on cases and appeals involving court-awarded
28 attorneys' fees. I also am the author of *California Attorney Fee Awards* (3d ed.

1 Cal. CEB 2010) and its February 2011, 2012, 2013, and March 2014 Supplements,
2 as well as all its previous editions and annual supplements. California appellate
3 courts have cited this treatise on more than 35 occasions. *See, e.g., Graham v.*
4 *DaimlerChrysler Corp.* (2004) 34 Cal.4th 553, 576, 584; *Lolley v. Campbell* (2002)
5 28 Cal.4th 367, 373; *Chacon v. Litke* (2010) 181 Cal.App.4th 1234, 1259; *Syers*
6 *Properties III, Inc. v. Rankin* (2014) 226 Cal.App.4th 691, 698, 700. I also have
7 lectured and written extensively on court-awarded attorneys' fees. I have been a
8 member of the California State Bar's Attorneys' Fees Task Force and have
9 testified before the State Bar Board of Governors and the California Legislature on
10 attorneys' fee issues. In addition, I authored a federal manual on attorneys' fees
11 entitled *Attorneys' Fees: A Legal Services Practice Manual*, published by the
12 Legal Services Corporation. I also co-authored the chapter on "Attorney Fees" in
13 Volume 2 of CEB's *Wrongful Employment Termination Practice*, 2d Ed. (1997).

14 3. More than 90% of my practice is devoted to issues involving court-
15 awarded attorneys' fees. I have been counsel in over 180 attorneys' fee
16 applications in state and federal courts, primarily representing other attorneys. I
17 also have briefed and argued more than 40 appeals, at least 25 of which have
18 involved attorneys' fees issues. I have successfully handled five cases in the
19 California Supreme Court involving court-awarded attorneys' fees: (1) *Maria P. v.*
20 *Riles* (1987) 43 Cal.3d 1281, a landmark early decision on the scope of California
21 Code of Civil Procedure section 1021.5; (2) *Delaney v. Baker* (1999) 20 Cal.4th
22 23, which held that heightened remedies, including attorneys' fees, are available in
23 suits against nursing homes under California's Elder Abuse Act; (3) *Ketchum v.*
24 *Moses* (2001) 24 Cal.4th 1122, which held, *inter alia*, that contingent risk
25 multipliers remain available under California attorney fee law, despite the United
26 States Supreme Court's contrary ruling on federal law (note that in *Ketchum*, I was
27 primary appellate counsel in the Court of Appeal and "second chair" in the
28 Supreme Court); (4) *Flannery v. Prentice* (2001) 26 Cal.4th 572, which held that in

1 the absence of an agreement to the contrary, statutory attorneys' fees belong to the
2 attorney whose services they are based upon; and (5) *Graham v. DaimlerChrysler*
3 *Corp.* (2004) 34 Cal.4th 553, which held, *inter alia*, that the "catalyst" theory was
4 still valid under California law despite federal Supreme Court authority to the
5 contrary. I also represented and argued on behalf of *amicus curiae* in
6 *Conservatorship of McQueen* (2014) 59 Cal.4th 602, and, along with Richard
7 Rothschild, filed an *amicus curiae* brief in *Vasquez v. State of California* (2009) 45
8 Cal.4th 243. I also have handled numerous other appeals involving attorney's fees,
9 including: *Davis v. City & County of San Francisco* (9th Cir. 1992) 976 F.2d 1536;
10 *Mangold v. CPUC* (9th Cir. 1995) 67 F.3d 1470; *Moore v. Bank of America* (9th
11 Cir. 2007) 245 Fed.Appx. 613; *Velez v. Wynne* (9th Cir. 2007) 2007
12 U.S.App.LEXIS 2194; *Camacho v. Bridgeport Financial, Inc.* (9th Cir. 2008) 523
13 F.3d 973; *Center for Biological Diversity v. County of San Bernardino* (2010) 185
14 Cal.App.4th 866; and *Environmental Protection Information Center v. California*
15 *Dept. of Forestry & Fire Protection et al* (2010) 190 Cal.App.4th 217. For an
16 expanded list of my representative decisions, see Exhibit A.

17 4. I also have been retained by various governmental entities, including
18 the State of California, at my then current rates to consult with them regarding their
19 affirmative attorney fee claims.

20 5. I am frequently called upon to opine about the reasonableness of
21 attorneys' fees, and numerous federal and state courts have cited my testimony on
22 that issue favorably. The reported cases referencing my testimony include the
23 following California appellate courts: *Laffite v. Robert Half Int'l* (2014)
24 __ Cal.App.4th __, 2014 Cal.App.LEXIS 1059; *In re Tobacco Cases I* (2013) 216
25 Cal.App.4th 570; *Heritage Pacific Financial LLC v. Monroy* (2013) 215
26 Cal.App.4th 972, 1009; *Children's Hospital & Medical Center v. Bonta* (2002) 97
27 Cal.App.4th 740; *Wilkinson v. South City Ford* (2010) 2010 Cal.App.Unpub.
28 LEXIS 8680; *Church of Scientology v. Wollersheim* (1996) 42 Cal.App.4th 628

1 (anti-SLAPP case). My declaration also has been favorably referenced by the
2 following federal courts: *Prison Legal News v. Schwarzenegger* (9th Cir. 2010)
3 608 F.3d 446, 455, in which the expert declaration referred to in that opinion is
4 mine; *Antoninetti v. Chipotle Mexican Grill, Inc.* (9th Cir. 2012) Order filed Dec.
5 26, 2012; *In re TFT-LCD (Flat Panel) Antitrust Litigation* (N.D.Cal. 2013) No. M
6 07-1827 SI, MDL, No. 1827, Report and Recommendation of Special Master re
7 Motions for Attorneys' Fees etc., filed Nov. 9, 2012, adopted in relevant part, 2013
8 U.S.Dist.LEXIS 49885; *Rosenfeld v. United States Dept. of Justice* (N.D. Cal.
9 2012) 904 F.Supp.2d 988; *Stonebrae v. Toll Bros.* (N.D. Cal. 2011) 2011
10 U.S.Dist.LEXIS 39832, at *9 (thorough discussion), *aff'd* (9th Cir. 2013) 2013
11 U.S.App.LEXIS 6369; *Hajro v. United States Citizenship & Immigration Service*
12 (N.D.Cal 2012) 900 F.Supp.2d 1034, 1054; *Armstrong v. Brown* (N.D. Cal. 2011)
13 2011 U.S.Dist.LEXIS 87428; *Californians for Disability Rights, Inc. v. California*
14 *Dept. of Transportation* (N.D. Cal. 2010) 2010 U.S.Dist.LEXIS 141030; *Prison*
15 *Legal News v. Schwarzenegger* (N.D. Cal. 2008) 561 F.Supp.2d 1095 (an earlier
16 motion); *Oberfelder v. City of Petaluma* (N.D. Cal. 2002) 2002 U.S.Dist.LEXIS
17 8635, *aff'd* (9th Cir. 2003) 2003 U.S.App.LEXIS 11371; *Bancroft v. Trizechahn*
18 *Corp.*, C.D. Cal. No. CV 02-2373 SVW (FMOx), Order Granting Reasonable
19 Attorneys' Fees etc., filed Aug. 14, 2006; *Willoughby v. DT Credit Corp.*, C.D.
20 Cal. No. CV 05-05907 MMM (Cwx), Order Awarding Reasonable Attorneys' Fees
21 After Remand, filed July 17, 2006; *A.D. v. California Highway Patrol* (N.D.Cal.
22 2009) 2009 U.S.Dist.LEXIS 110743, *rev's'd on other grounds* (9th Cir. 2013) 712
23 F.3d 446, *reaffirmed and additional fees awarded on remand* at 2013
24 U.S.Dist.LEXIS 169275; *National Federation of the Blind v. Target Corp.*
25 (N.D.Cal. 2009) 2009 U.S.Dist.LEXIS 67139. In addition, numerous trial courts
26 have relied upon my testimony in unpublished fee orders.

27 6. I also have extensive experience litigating the merits of class actions,
28 including numerous housing, government benefits, and consumer class actions.

1 See, e.g., *Employment Dev. Dept. v. Superior Court (Boren)* (1981) 30 Cal.3d 256.

2 I also have represented Class Counsel on their fee requests in numerous highly-
3 contested class actions, including *Davis v. City & County of San Francisco, supra*,
4 *Duran v. First National Bank*, Alameda County Superior Court No. 2001-035537,
5 and *Molina, et al. v. Lexmark International, et al.*, Los Angeles County Superior
6 Court No. BC339177.

7 7. In this matter, I have reviewed several documents from the underlying
8 litigation and fee motion, including the entire Motion for Preliminary Approval, as
9 well as the declarations of Plaintiffs' principal counsel filed in support of the
10 instant motion. I also have discussed the case with class counsel Julie Corbo-
11 Ridley.

12 **PLAINTIFFS' ATTORNEYS' HOURLY RATES ARE**
13 **REASONABLE**

14 8. Through my writing and practice, I have become knowledgeable
15 about the non-contingent market rates charged by attorneys in California and
16 elsewhere. I have obtained this knowledge in several ways: (1) by handling
17 attorneys' fee litigation; (2) by preparing expert declarations in numerous cases;
18 (3) by discussing fees with other attorneys; (4) by obtaining declarations regarding
19 prevailing market rates in cases in which I represent attorneys seeking fees; and (5)
20 by reviewing attorneys' fee applications and awards in other cases, as well as
21 surveys and articles on attorneys' fees in the legal newspapers and treatises.

22 9. I am aware of the hourly rates being requested by Plaintiffs' attorneys
23 in this case, their experience and qualifications, the nature of the work performed,
24 and the results achieved. Under California law, Plaintiff's attorneys are entitled to
25 their requested rates if those rates are "within the range of reasonable rates charged
26 by and judicially awarded comparable attorneys for comparable work." *Children's*
27 *Hosp. & Med. Ctr. v. Bonta [CHMC]* (2002) 97 Cal.App.4th 740, 783. In my
28 opinion, the information about non-contingent hourly rates I have gathered, some

1 of which is summarized below, shows that the rates requested by Plaintiffs'
2 counsel in this matter are well within the range of the non-contingent market rates
3 charged by California and San Diego attorneys of reasonably comparable
4 experience, skill, and expertise for reasonably comparable services. I base that
5 opinion in large part on the following data:

6 **Court Awards**

7 10. Several of the Plaintiffs' law firms have had the hourly rates requested
8 here, or their equivalent rates in prior years, approved by the courts in other class
9 actions. For example, Hurst & Hurst's rates were found reasonable in *Serochi v.*
10 *Bosa Development California II, Inc., et al.*, San Diego Superior Court Case No.:
11 37-2009-00096686-CU-BT-CTL. Similarly, Ms. Lorens's 2012 rate of \$795/hour
12 was approved in November 2012 in *Hoch v. Rockin' Baja Coastal Cantina, et al.*,
13 San Diego Superior Court Case No. 37-2012-00095176-CU-OE-CTL/*Mojica v.*
14 *Rockin' Baja Coastal Cantina, et al.*, San Diego Superior Court Case No. 37-2012-
15 00091490-CU-OE-CTL. This is highly probative evidence of the reasonableness
16 of their rates in subsequent reasonably similar cases.

17 11. Counsel's rates are also consistent with the following court awards
18 from the Southern District of California¹:

19 (1) In *Hartless v. Clorox*, 273 F.R.D. 630, 644 (S.D. Cal. 2011), the
20 Court found, *inter alia*, that class counsel's requested rates were consistent with
21 the hourly rates found reasonable in numerous other class actions and with rates
22 charged by other firms in the San Diego area, including rates of \$795 per hour for a
23 25-year attorney and \$675 per hour for an experienced partner. 273 F.R.D. at 644.

24
25 ¹ In my experience, for purposes of the hourly rates charged and found reasonable by the courts,
26 the differences between types of class actions (i.e. wage and hour class actions versus consumer
27 class actions) are not significant, either factually or legally. See, e.g., *Heritage Pacific Financial,*
28 *LLC v. Monroy*, 215 Cal.App.4th 972, 1009 (2013); *Camacho v. Bridgeport Financial, Inc.*, 523
F.3d 973, 979 (9th Cir. 2008).

1 Given the rate increases that have occurred over the ensuing three years, counsel's
2 rates here are certainly within the same range.

3 (2) In *Shames v. Hertz Corp.*, 2012-2 Trade Case. (CCH) ¶78,120 (S.D.
4 Cal. 2012), the Court, relying on *Hartless*, found that plaintiffs' San Diego
5 Counsel there were comparable in skill and experience to the attorneys whose rates
6 were found reasonable in *Hartless*. At *59-61.

7 (3) In *Briarwood Capital LLC v. HCC Investors LLC*, San Diego
8 Superior Court No. GIC877446, on March 30, 2011, the court (Judge William R.
9 Nevitt Jr.) found that the 2009 hourly rates charged by the San Diego office of
10 Bernstein Litowitz Berger & Grossman LLP -- \$725 for partners, \$490-550 for
11 associates -- were reasonable.

12 (4) Similarly, in the same case, the court found that the 2009 rates
13 charged by the Century City office of O'Melveny & Myers LLP, including rates of
14 \$860-950 for a 36-37 year attorney and \$700-710 for 16-18 year attorneys also
15 were reasonable for San Diego litigation. Again, given the rate increases that have
16 occurred over the past three years, Plaintiffs' attorneys' current rates here are in the
17 same range as those found reasonable in *Briarwood Capital*.

18 (5) In *Atlas v. Accredited Home Lenders Holdings, Co.* Case No. 07-
19 CV-488-H-CAB (S.D. Cal. 2009), the court (Judge Marilyn Huff) found the 2009
20 rates charged by Bernstein Litowitz's San Diego office reasonable. Again, those
21 rates ranged from \$490 to \$550 for associates, and \$725 for a partner.

22 (6) In *In re Virgil's Tours*, Case No. 08-30659 (Bank. N.D. Cal. 2008),
23 the court found reasonable the 2008 rates requested by Morrison & Foerster LLP's
24 San Diego office. Those rates ranged from \$600 to \$675 for partners, from \$350 to
25 \$485 for associates, and from \$220 to \$245 for paralegals.

26 (7) In *Qualcomm, Inc. v. Broadcom, Inc.* Case No. 05-CV-1958-B,
27 2008 WL 2705161 (S.D. Cal. 2008), the court found the 2007 hourly rates
28 requested by Wilmer Cutler, Pickering, Hale & Dorr LLP reasonable for San

1 Diego-based litigation. Those rates ranged from \$45 to \$300 for staff and
2 Paralegals, from \$275 to \$505 for associates and counsel, and from \$435 to \$850
3 for partners.

4 12. In addition to local courts, the following hourly rates have been
5 found reasonable by various California courts for reasonably similar services:

6 2014

7 (1) *IPVX Patent Holdings, Inc. v. Voxernet LLC*, N.D. Cal. No.
8 5:13-CV-01708-HRL, a patent infringement case, in which the court found the
9 following hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
<u>2014</u>	
45	\$750
35	750
23	725
19	695
5	400
3	350
Paralegal	125
<u>2013</u>	
18	\$755
11	595
2	425
<u>2012</u>	
40	\$865
17	755
10	595
1	375

23 (2) *Doe v. United Healthcare Insurance Co., et al.*, C.D. Cal. No.
24 SACV 13-0864 DOC(JPRx), Order Granting Attorney's Fees and Costs, filed
25 October 15, 2014, a multi-Plaintiff consumer action, in which the court found the
26 following hourly rates reasonable:

<u>Whatley Kallas</u>	
<u>Years of Experience</u>	<u>Rate</u>
36	\$950

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Whatley Kallas

<u>Years of Experience</u>	<u>Rate</u>
27	900
32	800
33	750
21	700
10	600
4	400
2	375
Paralegal	225
Intern	125

Consumer Watchdog

35	\$925
19	650
4	425

(3) *Rose v. Bank of America Corp.*, N.D. Cal. No. 5:11-CV-02390-EJD; 5:12 CV-04009-EJD, Order Granting Motion for Final Approval of Settlement; Granting in Part and Denying in Part Motion for Attorney’s Fees and Costs, filed August 29, 2014, a consumer class action involving the Bank’s loan servicing calls, in which the court found the following hourly rates reasonable:

- Partners: \$775-350
- Associates: \$525-325

(4) *Carpio v. California Department of Social Services, Los Angeles County Superior Court*, No. BS 135127, Order Granting Petitioner’s Motion For Attorney’s Fees, filed July 24, 2014, a government benefits writ of mandate, in which the court found the following hourly rates reasonable:

<u>Years</u>	<u>Rate</u>
39	\$750
35	730
13	500
8	460
6	440

(5) *Cornell v. City & County of San Francisco*, San Francisco County

1 Superior Court No. CGC-11-509240, Order Granting Motion for Reasonable
 2 Attorneys' Fees, Subject to Modifications, filed May 15, 2014, an individual police
 3 misconduct/employment action, in which the court found the following hourly
 4 rates reasonable, plus a 1.25 lodestar multiplier for merits work:

<u>Years of Experience</u>	<u>Rate</u>
45	\$750
35	750
23	725
19	695
5	400
3	350
Paralegal	125

11 **2013 Rates**

12 (1) *Ellis v. Costco Wholesale Corp.*, N.D. Cal. No. C04-3341 EMC,
 13 Order Granting Motion for Final Approval of Class Action Settlement, filed May
 14 27, 2014, an employment class action, in which the court found the following
 15 hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
38	\$700
35	825
30	650-825
29	875
19	725
9	500
8	460
7	425-575
6	435
3	315
Paralegals	155-295
Law Clerks	185-275

25 (2) *In re Pacific Bell Late Fee Litigation*, Contra Costa County Superior
 26 Ct. No. MSC10-00840, Order Awarding Attorneys' Fees, Costs and Expenses and
 27 Authorizing Payment of Incentive Award to the Class Representative, filed
 28 October 18, 2013, a consumer class action, in which the court found the following

1 hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
17	\$850
16	680
11 (partner)	680
36	675
32	675
28 (assoc.)	620
4	400
3	390
Paralegals and Litigation Support	160-180

10 (3) *Reuters America LLC v. The Regents of the Univ. of Calif.*, Alameda
11 County Superior Court No. RG12-613664, Order Granting in Part Motion of
12 Petitioner for Attorneys' Fees filed May 2, 2013, reversed on the merits sub nom
13 *Regents of U.C. v. Superior Court* (2014) 222 Cal.App.4th 383, a California Public
14 Records Act action, in which the trial court found the following hourly rates
15 reasonable, before applying a 1.3 lodestar multiplier:

<u>Years of Experience</u>	<u>Rate</u>
31	\$785
27	600
6	400

19 (4) *Recouvreur v. Carreon* (N.D. Cal. 2013) 940 F.Supp.2d 1063, a
20 Lanham Act/ sanctions fee motion, in which the court found the following hourly
21 rate reasonable:

<u>Years of Experience</u>	<u>Rate</u>
20+	\$700

22
23
24 **2012 Rates**

25 (1) *In re TFT-LCD (Flat Panel) Antitrust Litigation* (N.D.Cal. 2013) No.
26 M 07 1827 SI, MDL, No. 1827, an antitrust class action, in which the court found
27 the following hourly rates reasonable:
28

Zelle Hofman

<u>Bar Admission</u>	<u>Rate</u>
1967	\$1000
1978	861
2001	619
2002	525
2005	500
2006	472
2009	417

Steyer, Lowenthal et al.

<u>Bar Admission</u>	<u>Rate 2012</u>	<u>Rate 2011</u>	<u>Rate 2010</u>
1981	\$820	\$770	\$730
1995	660	640	590
2007	380	360	320
2008	380	360	320
1982	750	710	680
Paralegal	190		

Cooper & Kirkham

<u>Bar Admission</u>	<u>Rates 2010-2012</u>
1964	\$950
1975	825
2001	550

(2) *Rosenfeld v. United States Dept. of Justice* (N.D. Cal. 2012) 904 F.Supp.2d 988, a Freedom of Information Act action, in which the court found the following hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
28	\$700
21	550
1	200
Law students	160-180

(3) *Williams v. H&R Block Enterprises, Inc.*, Alameda County Superior Ct. No. RG08366506, Order of Final Approval and Judgment filed November 8, 2012, a wage and hour class action, in which the court found the following hourly

1 rates reasonable:

<u>Year of Bar Admission</u>	<u>Rate</u>
1970	\$785
1976	775
1981	750
1993	650-700
1994-1997	500-650
2004	500
2005	470
2006	445-475
2007	450
2008	400
2009	350

11 (4) *American Civil Liberties Union v. Drug Enforcement Administration*,
12 N.D. Cal. No. C-11-01977 RS, Order Granting Motion for Attorneys' Fees and
13 Litigation Costs Pursuant to 5 U.S.C. §552, filed November 8, 2012, a Freedom of
14 Information Act case, in which the court found the following hourly rates
15 reasonable:

<u>Year of Bar Admission</u>	<u>Rate</u>
1970	\$700
1996	595
1999	575
Law Clerks	150

20 (5) *Luquetta v. The Regents of the Univ. of California*, San Francisco
21 Superior Ct. No. CGC-05-443007, Order Granting Plaintiff's Motion for Common
22 Fund Attorneys' Fees and Expenses, filed October 31, 2012, a class action to
23 recover tuition overcharges, in which the court found the following hourly rates
24 reasonable:

<u>Year of Bar Admission</u>	<u>Rate</u>
1977	\$850
1986	785
1991	750
1994	700
1998	625

1	2000	570
2	2001	550
3	2002	520
4	Law Clerks	250
	Paralegals	215

5 (6) *Davis v. Prison Health Services* (N.D. Cal. 2012) 2012 U.S. Dist.
 6 LEXIS 138556, an individual Fair Employment and Housing Act case, in which
 7 the court found the following hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
33	\$750
29	675
4	300
6	265

11 **2011 Rates**

12 (1) *Pierce v. County of Orange* (C.D. Cal. 2012) 905 F.Supp.2d 1017, a
 13 civil rights class action brought by pre-trial detainees, in which the court approved
 14 a lodestar, including appellate fees, based on the following 2011 rates:

<u>Years of Experience</u>	<u>Rate</u>
42	\$850
32	825
23	625
18	625
Law Clerks	250
Paralegals	250

20 (2) *Davis v. Prison Health Services* (N.D. Cal. 2012) 2012 U.S. Dist.
 21 LEXIS 138556, an individual Fair Employment and Housing Act case, in which
 22 the court found the following hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
33	\$750
29	675
4	300
6	265

28 (3) *Holloway et. al. v. Best Buy Co., Inc.* (N.D. Cal. 2011) No. 05-5056

1 PJH, Order dated November 9, 2011, a class action alleging that Best Buy
 2 discriminated against female, African American and Latino employees by denying
 3 them promotions and lucrative sales positions, in which the court approved a
 4 lodestar award based on the following rates:

<u>Years of Experience</u>	<u>Rate</u>
37	\$825
Associates	
8	490
6	405
Law Clerks	225
Paralegals	215

10 (3) *Molina, et al. v. Lexmark International, et al.*, Los Angeles County
 11 Superior Court No. BC339177, Order Granting Petitioners' Motion for Attorneys'
 12 Fees and Costs in the Amount of \$5,722,008.07, filed October 28, 2011, *aff'd*
 13 (2013) 2013 Cal.App.Unpub. LEXIS 6684, a class action to recover forfeited
 14 vacation pay, in which the court found the following hourly rates reasonable
 15 (before applying a 2.0 multiplier):

<u>Years of Experience</u>	<u>Rate</u>
42	\$675
25	550
24	655-675
23	625
20	550
17	600
9	475
6	350
Paralegals	210
Paralegals	210

2010 Rates

24 (1) *Californians for Disability Rights, Inc., et al. v. California*
 25 *Department of Transportation, et al.* (N.D.Cal. 2010) 2010 U.S.Dist.LEXIS
 26 141030, adopted by Order Accepting Report and Recommendation filed February
 27 2, 2011, a disability-access class action, in which the court found the following
 28

1 2010 hourly rates reasonable:

<u>Years of Experience</u>	<u>Rate</u>
49	\$835
34	730
26	740
25	730
19	660
10	570
9	560
7	535
6	500
5	475
3	350
2	290
1	225-265
Senior Paralegals	265
Law Clerks	175
Case Clerks	165

14 **Rate Information from Surveys**

15 12. I also base my opinion on several credible surveys of legal rates,
16 including the following:

- 17 • The 2014 *Laffey Matrix* is a survey of District of Columbia hourly
18 rates that is often relied upon in other jurisdictions, with appropriate
19 adjustments for differences in income levels, to determine reasonable
20 hourly rates. See, e.g., *Syers Properties III, Inc. v. Rankin* (2014) 226
21 Cal.App.4th 691, 695. A copy of that survey is attached hereto as
22 Exhibit B. It shows that for attorneys with 20+ years out of law
23 school, the prevailing market in the period between June 1, 2013, and
24 May 31, 2014 was \$771 per hour. For lawyers with 11-19 years out of
25 law school, the prevailing rate for the same period was \$640 per hour.
26 The difference in the Local Pay Tables for the Washington D.C. area
27 and the San Diego-Carlsbad-San Marcos areas are de minimis --
28 .03%.

- 1 • On January 13, 2014, the National Law Journal published an article
2 about its most recent rate survey. That article included a chart listing
3 the billing rates of the 50 firms that charge the highest average hourly
4 rates for partners. A true and correct copy of that article is attached
5 hereto as Exhibit C. Of the 50 firms listed, several have offices in the
6 San Diego area and many others have significant litigation experience
7 in this area. And, although the rates that Plaintiffs' counsel are
8 requesting here are significantly *lower* than many of the rates charged
9 by the top 50 firms, the NLJ chart does show the *range* of rates
10 charged for similar services, which *is* the applicable standard. *See*
11 *CHMC*, 97 Cal.App.4th at 783.
- 12 • In an article entitled "On Sale: The \$1,150-Per Hour Lawyer,"
13 written by Jennifer Smith and published in the Wall Street Journal on
14 April 9, 2013, the author describes the rapidly growing number of
15 lawyers billing at \$1,150 or more revealed in public filings and major
16 surveys. A true and correct copy of that article is attached hereto as
17 Exhibit D. The article also notes that in the first quarter of 2013, the
18 50 top-grossing law firms billed their partners at an *average* rate
19 between \$879 and \$882 per hour.
- 20 • In an article published April 16, 2012, the Am Law Daily described
21 the 2012 Real Rate Report, an analysis of \$7.6 billion in legal bills
22 paid by corporations over a five-year period ending in December
23 2011. A true and correct copy of that article is attached hereto as
24 Exhibit E. That article confirms that the rates charged by experienced
25 and well-qualified attorneys have continued to rise over the five-year
26 period between 2006 and 2011, particularly in large urban areas. It
27 also shows, for example, that the top quartile of lawyers bill at an
28 *average* of "just under \$900 per hour."

1 **Rates Charged by Other Law Firms**

2 14. The standard hourly non-contingent rates for comparable civil
3 litigation stated in court filings, depositions, surveys, or other reliable sources by
4 numerous California law firms or law firms with offices or practices in California
5 also support counsel's rates. The following hourly rates are those charged where
6 full payment is expected promptly upon the rendition of the billing and without
7 consideration of factors other than hours and rates. If any substantial part of the
8 payment were to be contingent or deferred for any substantial period, for example,
9 the fee arrangement would be adjusted accordingly to compensate the attorneys for
10 those factors. These rates include, in alphabetical order:²

11 *Altshuler Berzon LLP***

12	<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
13		38	\$895
14	<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
15		34	\$850
16		26	785
17		21	750
18		18	700
19		14	625
20		12	570
21		11	550
22		10	520
23		6	410
24		5	385
25		4	335
26		Law Clerks	250
27		Paralegals	215
28	<u>2011 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
		43	\$825
		17	675
		12	575
		10	520
		Law Clerks	225

² Firms based in San Diego are marked with an *. Firms with substantial class action practices, which tend to be statewide, are marked "***".

1
2 **Altshuler Berzon LLP****

3 Paralegals 215

4 **Arnold Porter LLP**

5 **2013 Rates:** Average Partner \$815
6 Highest Partner 950
7 Lowest Partner 670
8 Average Associate 500
9 Highest Associate 610
10 Lowest Associate 345

9 **The Arns Law Firm LLP ****

10 **2014 Rates:** Years of Experience Rate
11 37 \$950
12 Law Clerks 165

13 **Bernstein Litowitz Borger & Grossman LLP**
14 **(San Diego Office)*, ****

15 **2009 Rates:** Years of Experience Rate
16 Partners \$725
17 Associates 490-550

17 **Bingham McCutchen**

18 **2013 Rates:** Average Partner \$795
19 Highest Partner 1,080
20 Lowest Partner 670
21 Average Associate 450
22 Highest Associate 605
23 Lowest Associate 185

24 **2011 Rates:** Years of Experience Rate
25 30 \$780

26 **2010 Rates:** Years of Experience Rate
27 13 \$655
28 4 480
29 2 400

26 **Blood Hurst & O'Reardon*, ****

27 **2012 Rates:** Years of Experience Rate
28 22 \$655
17 585

1 **Blood Hurst & O'Reardon*, ****

2 6 510
3 5 410
4 1 305
5 Paralegals 260

6 **Burson & Fisher****

7 **2013 Rates:** Years of Experience Rate
8 16 \$680-850
9 11 680
10 4 400
11 3 390
12 2 375
13 1 300
14 Law Clerks 225
15 Litigation Support Specialists 180

16 **Chavez & Gertler***

17 **2012 Rates:** Years of Experience Rate
18 33 \$750
19 29 725
20 32 675
21 21 575
22 11 535
23 7 475
24 Legal Assistant 185
25 **2011 Rates:** Years of Experience Rate
26 32 \$725
27 28 700
28 10 550
29 9 510
30 5 425
31 Paralegals 225

32 **Coblentz Patch & Duffy**

33 **2013 Rates:** Year of Bar Admission Rate
34 1979 \$720
35 1994 575
36 2008 320
37 Paralegals/Case Clerks 295

1
2 **Cohelan Khoury & Singer**

3 **2012 Rates:** Years of Experience Rate
4 38 \$750
5 28 750
6 11 400
7 Paralegal 170

8
9 **Cooper & Kirkham**

10 **2012 Rates:** Years of Experience Rate
11 48 \$950
12 37 825
13 11 600

14
15 **Covington Burling**

16 **2013 Rates:** Years of Experience Rate
17 28 \$750
18 16 670
19 14 670
20 7 510
21 2 375
22 5 490
23 Litigation Support 110-355

24 **2012 Rates:** Years of Experience Rate
25 27 \$730
26 15 632-650
27 13 650

28 **2011 Rates:** Years of Experience Rate
29 26 \$710
30 14 640
31 12 600
32 9 565
33 7 550
34 5 425
35 3 390
36 1 320

37 **2010 Rates:** Years of Experience Rate
38 25 \$710
39 13 640
40 11 575-600
41 8 550-565

1 Covington Burling

2	6	525-550
3	4	390-425
4	2	350-390

5 Farella Braun & Martell LLP

6	<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
7		31	\$715

8 Fenwick & West

9	<u>2014 Rates</u>	<u>Years of Experience</u>	<u>Rate</u>
10		45	\$750
11		35	750
12		23	725
13		19	695
14		5	400
15		3	350
16		Paralegal	125
17	<u>2013 Rates</u>	18	\$755
18		11	595
19		2	425
20	<u>2012 Rates</u>	40	\$865
21		17	755
22		10	595
23		1	375

24 Furth Firm LLP**

25	<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
26		51	\$875
27		39	750
28		38	600
29		33	775
30		25	550
31		23	650
32		21	625
33		19	610
34		18	600
35		17	585
36		16	570
37		15	560

1 **Furth Firm LLP****

2 14 550
3 13 525
4 12 515
5 11 510
6 10 505
7 9 500
8 7 460
9 4 435
10 Law Clerks 125-260

11 **Gibson Dunn & Crutcher LLP**

12 **2013 Rates:** Average Partner \$980
13 Highest Partner 1,800
14 Lowest Partner 765
15 Average Associate 590
16 Highest Associate 930
17 Lowest Associate 175

18 **Goldstein, Borgen, Dardarian & Ho****

19 **2014 Rates:** Years of Experience Rate
20 33 \$795
21 27 750
22 8 500
23 4 395
24 3 350
25 1 300
26 Law Clerks/Paralegals 160-250

27 **2012 Rates:** Years of Experience Rate
28 Partners
29 42 \$785
30 36 750
31 31 700
32 18 650
33 Associates
34 7 470
35 6 445

36 **2011 Rates:** Years of Experience Rate
37 Partners
38 41 \$725
39 35 725

1 **Goldstein, Borgen, Dardarian & Ho****

2 30 700
3 24 650
4 18 600
5 17 600
6 16 550

7 **2010 Rates:**

Years of Experience Rate

8 Partners

9 40 \$700
10 34 700
11 29 675
12 23 625
13 17 575
14 16 575

15 Of Counsel

16 40 725

17 Associates

18 15 \$500
19 11 440
20 6 375
21 5 365
22 4 355
23 3 340
24 2 325
25 1 305

26 Law Clerks

27 195

28 Paralegals 150-225

29 **Greenberg, Traurig, LLP**

30 **2010 Rates:**

Years of Experience Rate

31 22 \$850

32 **Greines, Martin, Stein & Richland**

33 **2012 Rates:**

Years of Experience Rate

34 41 \$850
35 29 850
36 23 650
37 18 500
38 Law Clerks 100

1 Hadsell, Stormer, Keeny, Richardson &
2 Renick**

3 2012 Rates: Years of Experience Rate
4 38 \$825
5 33 775
6 22-23 625
7 17 600
8 12 525
9 10 425
10 4 275
11 3 250

12 2010 Rates: Years of Experience Rate
13 36 \$800
14 31 750
15 20-21 600
16 15 575
17 10 475-500
18 8 425
19 4 325
20 2 275
21 1 250

22 Hausfeld LLP**

23 2014 Rates: Years of Experience Rate
24 45 \$985
25 37 935-895
26 15 610-510
27 14 600
28 7 490
29 3 370
30 Paralegals 300-320
31 Law Clerks 325

32 Irell & Manella

33 2013 Rates: Average Partner \$890
34 Highest Partner 975
35 Lowest Partner 800
36 Average Associate 535
37 Highest Associate 750
38 Lowest Associate 395

1 **Janssen Malloy LLP**

2 **2014 Rates:** Years of Experience Rate
3 33 \$775
4 Paralegals 175

5 **Jones Day**

6 **2013 Rates:** Average Partner \$745
7 Highest Partner 975
8 Lowest Partner 670
9 Average Associate 435
10 Highest Associate 775
11 Lowest Associate 205

12 **Kaye, McLane, Bednarski & Litt ****

13 **2013 Rates:** Years of Experience Rate
14 44 \$925
15 27 725
16 24 725
17 7 525
18 5 475

19 **Keker & Van Nest, LLP**

20 **2010 Rates:** Years of Experience Rate
21 Partners
22 32 \$775
23 Other Partners 525-975
24 Associates 340-500
25 Paralegals/Support Staff 120-260

26 **Kemnitzer, Barron & Krieg**

27 **2014 Rates:** Years of Experience Rate
28 38 \$750
29 32 750
30 8 475
31 3 350
32 Senior Paralegal 250

33 **Kiesel, Boucher, Larson LLP *, ****

34 **2012 Rates:** Years of Experience Rate
35 Partners
36 27-28 \$890

1 **Kiesel, Boucher, Larson LLP *, ****

2 Associates 625-325

3 **Kingsley & Kingsley****

4 **2010 Rates:** Years of Experience Rate

5	14	\$655
6	8	475-515
7	7	475
8	6	485
9	5	375
	3	350
	2	300

10 **Kirkland & Ellis**

11 **2013 Rates:**

12	Average Partner	\$825
13	Highest Partner	995
14	Lowest Partner	670
	Average Associate	540
	Highest Associate	715
	Lowest Associate	235

15 **Knapp, Petersen & Clarke**

16 **2012 Rates:** Years of Experience Rate

17	36	\$753
18	9	554
	6	383

19 **Knobbe Martin Olson & Bear LLP**

20 **2012 Rates:** Years of Experience Rate

21	Partners	\$395-710
22	Associates	285-450

23 **Latham & Watkins**

24 **2013 Rates:**

25	Average Partner	\$990
26	Highest Partner	1,100
27	Lowest Partner	670
	Average Partner	895
	Average Associate	605
	Highest Associate	725
	Lowest Associate	465

1
2 Lewis Feinberg Lee, Renaker & Jackson,
3 P.C.**

4

<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	38	\$825
	29	750
	24	725
	21	700
	8	450
	7	425
	3	375
	Senior Paralegals	250
	Law Clerks	225

10

11 Litt, Estuar, & Kitson, LLP**

12

<u>2011 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	42	\$825
	18	625
	17	625
	5	425
	3	375
	Senior Paralegals	125-235
	Law Clerks	225

17

18 Manatt, Phelps & Phillips

19

<u>2013 Rates:</u>	Average Partner	\$740
	Highest Partner	795
	Lowest Partner	670
	Lowest Partner	640
<u>2010 Rates:</u>	Partners	525-850
	Associates	200-525

22

23
24
25
26 McKenna Long & Aldridge LLP

27

<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
	30	\$775
	9	650

28

1 McKenna Long & Aldridge LLP

2 5 420
3 Litigation Support Mgr. 350
4 Paralegals 225

5 Minami Tamaki LLP

6 2012 Rates: Years of Experience Rate
7 36 \$750
8 15 525
9 5 395
10 Paralegals 175

11 Morrison Foerster LLP

12 2013 Rates: Years of Experience Rate
13 Average Partner \$865
14 Highest Partner 1,195
15 Lowest Partner 670
16 Lowest Partner 595
17 Average Associate 525
18 Highest Associate 725
19 Lowest Associate 230

20 2011 Rates: Years of Experience Rate
21 22 \$775
22 11 625
23 10 620
24 1 335

25 2009 Rates: Years of Experience Rate
26 24 \$750

27 O'Melveny & Myers

28 2013 Rates: Years of Experience Rate
29 Average Partner \$715
30 Highest Partner 950
31 Lowest Partner 615

32 2012 Rates: Years of Experience Rate
33 12 \$695
34 4 495

35 Patton Boggs

36 2010 Rates: Years of Experience Rate

1 Patton Boggs

2 Partners

14	\$830
29	750
20	750
33	700
27	700
13	575
24	550
14	530

8 Of Counsel

30	600
15	500

10 Associates

9	450
7	425
3	340
2	315

13 Senior Paralegals 200-265

14 Paralegals 170

15 Pillsbury Winthrop Shaw Pittman LLP

16 2013 Rates:

<u>Years of Experience</u>	<u>Rate</u>
Average Partner	\$865
Highest Partner	1,070
Lowest Partner	670
Average Associate	520
Highest Associate	860
Lowest Associate	375

21 2010 Rates:

<u>Years of Experience</u>	<u>Rate</u>
Partners	
30	\$705-775
Other Partners	595-965
Associates	320-650
Paralegals/Support Staff	85-380

25 Quinn Emanuel Urquhart & Sullivan

26 2013 Rates:

Average Partner	\$915
Highest Partner	1,075
Lowest Partner	810
Average Associate	410

28

1 **Quinn Emanuel Urquhart & Sullivan**

2 Highest Associate 675
3 Lowest Associate 320

4 **Reed Smith LLP**

5 **2013 Rates:** Years of Experience Rate
6 Partner
7 36 \$830
8 30 805
9 17 610-615
10 14 570
11 Associates
12 8 450-535
13 6 495

14 **Robbins Geller Rudman & Dowd LLP *, ****

15 **2012 Rates:** Years of Experience Rate
16 Partners
17 26 \$695
18 19 575
19 Associates 535-345
20 Paralegals 295

21 **Rosen, Bien, Galvan & Grunfeld LLP**

22 **2013 Rates:** Years of Experience Rate
23 Partners
24 51 \$875
25 33 780
26 29 660
27 16 630
28 Of Counsel
29 30 580
30 Associates
31 20 550
32 10 480
33 9 465
34 8 445-450
35 7 440
36 6 435
37 5 405
38 4 375

1 Rosen, Bien, Galvan & Grunfeld LLP

2 3 355
3 Paralegals 220-280
4 Litigation Support/ 170
5 Paralegal clerk
6 Law Clerk/Students 250
7 Word Processing 80

6 2012 Rates:

Years of Experience Rate

7 Partners

7 50 \$860
8 32 760
9 28 640
10 15 610

10 Of Counsel

11 29 570

11 Associates

12 19 540
13 10 470
14 9 460
15 7 400
16 6 400
17 5 380
18 4 360
19 3 340

17 Paralegals 215-280

18 Litigation Support/ 150

19 Paralegal clerk

20 Law Clerk/Students 240

21 Word Processing 80

21 2011 Rates:

Years of Experience Rate

21 Partners

22 49 \$840
23 31 740
24 27 625
25 14 590

25 Of Counsel

26 28 540

26 Associates

27 18 525

28 11 465

10 10 450

1 Rosen, Bien, Galvan & Grunfeld LLP

2	9	440
3	8	420
4	6	385
5	5	365
6	4	350
7	3	325
8	2	315
9	Paralegals	205-275
10	Litigation Support/ Paralegal clerk	140-220
11	Law Clerk/Students	225
12	Word Processing	75

10 2010 Rates:

Years of Experience Rate

11 Partners

11	48	\$800
12	30	700
13	26	575
14	13	560
15	Of Counsel	
16	27	520

15 Associates

16	17	510
17	13	490
18	9	430
19	8	415
20	7	390
21	5	360
22	3	325
23	1	285

21 Paralegals 200-275

22 Litigation Support/
Paralegal clerk 135-220

23 Law Clerk/Students 190

24 Word Processing 70

25 Rudy, Exelrod, Zieff & Lowe LLP

26 2010 Rates:

Years of Experience Rate

27 Partners

42 \$725

32 725

1 Rudy, Exelrod, Zieff & Lowe LLP

2 15 625
3 Associates
4 21 495
5 13 485
6 8 450

6 Schneider Wallace Cottrell Brayton Konecky
LLP**

7 2014 Rates: Years of Experience Rate
8 Partners
9 13-22 \$750
10 Associates/Of Counsel 575
11 20 535-345
12 37 295
13 10-13 650
14 0-3 350-475
15 Paralegals/Law Clerks 135-300

14 Schonbrun, DeSimone, Seplow, Harris &
Hoffman**

15 2012 Rates: Years of Experience Rate
16 27 \$695
17 22 630

18 Sheppard, Mullin, Richter & Hampton

19 2010 Rates: Years of Experience Rate
20 Partners \$495-820
21 Associates 270-620

21 Sidley Austin

22 2010 Rates: Years of Experience Rate
23 Partners
24 33 \$900
25 Senior Partners 1,100
26 Legal Assistants 120-280

26 Skadden, Arps, Slate, Meagher & Flom

27 2013 Rates: Average Partner \$1,035
28 Highest Partner 1,150
Lowest Partner 845

1 **Skadden, Arps, Slate, Meagher & Flom**

2	Average Associate	620
3	Highest Associate	845
4	Lowest Associate	340

4 **Spiro Moore LLP****

5	<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
6		30+	\$700
7		17	600

8 **Law Offices of Michael D. Thamer**

9	<u>2014 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
10		31	\$775

11 **Townsend and Townsend and Crew**

12	<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
13		Partners	\$470-475
14		Associates	260-460

15 **Wilson Sonsini Goodrich & Rosati PC**

16	<u>2010 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
17		28	\$875
18		Other Partners	650-975
19		Associates	290-610
20		Paralegals/Litigation	120-300
21		Support	

22 **Zelle Hofmann Voelbel & Mason, LLP****

23	<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
24		Partners	Up to \$950
25		Associates	Up to \$540
26		Paralegals	Up to \$290
27		Law Clerks	Up to \$250
28	<u>2012 Rates:</u>	<u>Years of Experience</u>	<u>Rate</u>
29		Partners	
30		38	\$800
31		26	685
32		23	650
33		22	640
34		Associates	
35		9	500

1 Zelle Hofmann Voelbel & Mason, LLP**

2	4	435
3	3	415
4	2	405
5	1	395
6	Paralegals	210-290

7 13. The declaration of San Diego attorneys Vincent J. Bartolotta and
8 Timothy Blood, filed with this motion, also support the rates requested here. All of
9 this evidence shows that Plaintiffs' requested rates are well within the range of
10 rates charged in this forum by comparably qualified and experienced attorneys for
11 comparably difficult work.

12 14. In my experience, fee awards are almost always determined based on
13 current rates, *i.e.*, the attorney's rate at the time a motion for fees is made, rather
14 than the historical rate at the time the work was performed. This is a common and
15 accepted practice to compensate attorneys for the delay in being paid. The hourly
16 rates set forth above are those charged where full payment is expected promptly
17 upon the rendition of the billing and without consideration of factors other than
18 hours and rates. If any substantial part of the payment were to be deferred for any
19 substantial period of time, for example, the fee arrangement would be adjusted
20 accordingly to compensate the attorneys for those factors.

21 15. If called as a witness, I could and would competently testify from my
22 personal knowledge to the facts stated herein. I declare under penalty of perjury
23 that the foregoing is true and correct. Executed this 25th day of November 2014, in
24 Berkeley, California.

25 

26 Richard M. Pearl

1 **ADDITIONAL COUNSEL FOR PLAINTIFFS AND THE CERTIFIED CLASS**

2 Timothy D. Cohelan (Bar No. 60827)

3 Michael D. Singer (Bar No. 115301)

4 COHELAN KHOURY & SINGER

5 605 "C" Street, Suite 200

6 San Diego, CA 92101

7 Telephone: (619) 595-3001

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EXHIBIT A

RESUME OF RICHARD M. PEARL

RICHARD M. PEARL
LAW OFFICES OF RICHARD M. PEARL
1816 Fifth Street
Berkeley, CA 94710
(510) 649-0810
(510) 548-5074 (facsimile)
rpearl@interx.net (e-mail)

EDUCATION

University of California, Berkeley, B.A., Economics (June 1966)
Boalt Hall School of Law, Berkeley, J.D. (June 1969)

BAR MEMBERSHIP

Member, State Bar of California (admitted January 1970)
Member, State Bar of Georgia (admitted June 1970) (inactive)
Admitted to practice before all California State Courts; the United States Supreme Court; the United States Court of Appeals for the District of Columbia and Ninth Circuits; the United States District Courts for the Northern, Central, Eastern, and Southern Districts of California, for the District of Arizona, and for the Northern District of Georgia; and the Georgia Civil and Superior Courts and Court of Appeals.

EMPLOYMENT

LAW OFFICES OF RICHARD M. PEARL (April 1987 to Present): Civil litigation practice (AV rating), with emphasis on court-awarded attorney's fees, class actions, and appellate practice. Selected Northern California "Super Lawyer" in Appellate Law for 2005, 2006, 2007, 2008, 2010, 2011, 2012, 2013, and 2014.

QUALIFIED APPELLATE MEDIATOR, APPELLATE MEDIATION PROGRAM, Court of Appeal, First Appellate District (October 2000 to 2013) (program terminated).

ADJUNCT PROFESSOR, HASTINGS COLLEGE OF THE LAW (January 1988 to Present): Teach Public Interest Law Practice, a 2-unit course that focuses on the history, strategies, and issues involved in the practice of public interest law.

PEARL, McNEILL & GILLESPIE, Partner (May 1982 to March 1987): General civil litigation practice, as described above.

RICHARD M. PEARL

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CALIFORNIA RURAL LEGAL ASSISTANCE, INC. (July 1971 to September 1983) (part-time May 1982 to September 1983):

Director of Litigation (July 1977 to July 1982)

Responsibilities: Oversaw and supervised litigation of more than 50 attorneys in CRLA's 15 field offices; administered and supervised staff of 4-6 Regional Counsel; promulgated litigation policies and procedures for program; participated in complex civil litigation.

Regional Counsel (July 1982 to September 1983 part-time)

Responsibilities: Served as co-counsel to CRLA field attorneys on complex projects; provided technical assistance and training to CRLA field offices; oversaw CRLA attorney's fee cases; served as counsel on major litigation.

Directing Attorney, Cooperative Legal Services Center (February 1974 to July 1977) (Staff Attorney February 1974 to October 1975)

Responsibilities: Served as co-counsel on major litigation with legal services attorneys in small legal services offices throughout California; supervised and administered staff of four senior legal services attorneys and support staff.

Directing Attorney, CRLA McFarland Office (July 1971 to February 1974) (Staff Attorney July 1971 to February 1972)

Responsibilities: Provided legal representation to low income persons and groups in Kern, King, and Tulare Counties; supervised all litigation and administered staff of ten.

HASTINGS COLLEGE OF THE LAW, Instructor, Legal Writing and Research Program (August 1974 to June 1978)

Responsibilities: Instructed 20 to 25 first year students in legal writing and research.

CALIFORNIA AGRICULTURAL LABOR RELATIONS BOARD, Staff Attorney, General Counsel's Office (November 1975 to January 1976, while on leave from CRLA)

Responsibilities: Prosecuted unfair labor practice charges before Administrative Law Judges and the A.L.R.B. and represented the A.L.R.B. in state court proceedings.

ATLANTA LEGAL AID SOCIETY, Staff Attorney (October 1969 to June 1971)

Responsibilities: Represented low-income persons and groups as part of 36-lawyer legal services program located in Atlanta, Georgia.

RICHARD M. PEARL

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PUBLICATIONS

Pearl, *California Attorney Fee Awards, Third Edition* (Cal. Cont. Ed. Bar 2010) and February 2011, 2012, 2013, and 2014 Supplements

Pearl, *California Attorney Fee Awards, Second Edition* (Cal. Cont. Ed. Bar 1994), and 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, and 2008 Supplements

Graham v. DaimlerChrysler Corp. and *Tipton-Whittingham v. City of Los Angeles*, Civil Litigation Reporter (Cal. Cont. Ed. Bar Feb. 2005)

Current Issues in Attorneys' Fee Litigation, California Labor and Employment Law Quarterly (September 2002 and November 2002)

Flannery v. Prentice: Shifting Attitudes Toward Fee Agreements and Fee-Shifting Statutes, Civil Litigation Reporter (Cal. Cont. Ed. Bar Nov. 2001)

A Practical Introduction to Attorney's Fees, Environmental Law News (Summer 1995)

Wrongful Employment Termination Practice, Second Edition (Cal. Cont. Ed. Bar 1997) (co-authored chapter on "Attorney Fees")

California Attorney's Fees Award Practice (Cal. Cont. Ed. Bar 1982) (edited), and 1984 through 1993 Supplements

Program materials on attorney fees, prepared as panelist for CEB program on Attorneys' Fees: Practical and Ethical Considerations in Determining, Billing, and Collecting (October 1992)

Program materials on Attorney's Fees in Administrative Proceedings: California Continuing Education of the Bar, prepared as panelist for CEB program on Effective Representation Before California Administrative Agencies (October 1986)

Program materials on Attorney's Fees in Administrative Proceedings: California Continuing Education of the Bar, prepared as panelist for CEB program on Attorneys' Fees: Practical and Ethical Considerations (March 1984)

Settlers Beware/The Dangers of Negotiating Statutory Fee Cases (September 1985) Los Angeles Lawyer

Program Materials on Remedies Training (Class Actions), sponsored by Legal Services Section, California State Bar, San Francisco (May 1983)

RICHARD M. PEARL

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Attorneys' Fees: A Legal Services Practice Manual (Legal Services Corporation 1981)

PUBLIC SERVICE

Member, Attorneys' Fee Task Force, California State Bar

Chairperson, Board of Directors, California Rural Legal Assistance Foundation

REPRESENTATIVE REPORTED CASES

Alcoser v. Thomas

(2011) 2011 Cal.App.Unpub.LEXIS 1180

Boren v. California Department of Employment

(1976) 59 Cal.App.3d 250

Cabrera v. Martin

(9th Cir. 1992) 973 F.2d 735

Camacho v. Bridgeport Financial, Inc.

(9th Cir. 2008) 523 F.3d 973

Campos v. E.D.D.

(1982) 132 Cal.App.3d 961

Center for Biological Diversity v. County of San Bernardino

(2010) 185 Cal.App.4th 866

Committee to Defend Reproductive Rights v. A Free Pregnancy Center

(1991) 229 Cal.App.3d 633

David C. v. Leavitt

(D. Utah 1995) 900 F.Supp. 1547

Delaney v. Baker

(1999) 10 Cal.4th 23

Employment Development Dept. v. Superior Court (Boren)

(1981) 30 Cal.3d 256

Environmental Protection Information Center, Inc. v. Pacific Lumber Co.

(N.D. Cal. 2002) 229 F. Supp.2d 993, *aff'd* (9th Cir. 2004) 103 Fed. Appx. 627

Center for Biological Diversity

(2010)

185 Cal.App.4th

RICHARD M. PEARL

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Representative Reported Cases (cont.)

- Flanery v Prentice*
(2001) 26 Cal. 4th 572
- Graham v. DaimlerChrysler Corp.*
(2004) 34 Cal. 4th 553
- Horsford v. Board of Trustees of Univ. of Calif.*
(2005) 132 Cal.App.4th 359
- Ketchum v. Moses*
(2001) 24 Cal.4th 1122
- Kievlan v. Dahlberg Electronics*
(1978) 78 Cal.App.3d 951, *cert. denied* (1979)
440 U.S. 951
- Lealao v. Beneficial California, Inc.*
(2000) 82 Cal.App.4th 19
- Lewis v. California Unemployment Insurance Appeals Board*
(1976) 56 Cal.App.3d 729
- Local 3-98 etc. v. Donovan*
(N.D. Cal. 1984) 580 F.Supp. 714,
Aff'd (9th Cir. 1986) 792 F.2d 762
- Mangold v. California Public Utilities Commission*
(9th Cir. 1995) 67 F.3d 1470
- Maria P. v. Riles*
(1987) 43 Cal.3d 1281
- Martinez v. Dunlop*
(N.D. Cal. 1976) 411 F.Supp. 5,
aff'd (9th Cir. 1977) 573 F.2d 555
- McQueen, Conservatorship of*
(2014) 59 Cal.4th 602 (argued for *amici curiae*)
- McSomebodies v. Burlingame Elementary School Dist.*
(9th Cir. 1990) 897 F.2d 974

RICHARD M. PEARL

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Representative Reported Cases (cont.)

McSomebodies v. San Mateo City School Dist.
(9th Cir. 1990) 897 F.2d 975

Molina v. Lexmark International
(2013) 2013 Cal.App. Unpub. LEXIS 6684

Moore v. Bank of America
(9th Cir. 2007) 2007 U.S. App. LEXIS 19597

Moore v. Bank of America
(S.D. Cal. 2008) 2008 U.S. Dist. LEXIS 904

Mora v. Chem-Tronics, Inc.
(S.D. Cal. 1999) 1999 U.S. Dist. LEXIS 10752,
5 Wage & Hour Cas. 2d (BNA) 1122

Nadaf-Rahroy v. Nieman Marcus Group
(2014) 2013 Cal.App. Unpub. LEXIS 6975

Pena v. Superior Court of Kern County
(1975) 50 Cal.App.3d 694

Ponce v. Tulare County Housing Authority
(E.D. Cal 1975) 389 F.Supp. 635

Ramirez v. Runyon
(N.D. Cal. 1999) 1999 U.S. Dist. LEXIS 20544

Rubio v. Superior Court
(1979) 24 Cal.3d 93 (amicus)

Sokolow v. County of San Mateo
(1989) 213 Cal. App. 3d. 231

S.P. Growers v. Rodriguez
(1976) 17 Cal.3d 719 (amicus)

Tongol v. Usery
(9th Cir. 1979) 601 F.2d 1091,
on remand (N.D. Cal. 1983) 575 F.Supp. 409,
revs'd (9th Cir. 1985) 762 F.2d 727

RICHARD M. PEARL

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Representative Reported Cases (cont.)

Tripp v. Swoap

(1976) 17 Cal.3d 671 (amicus)

United States (Davis) v. City and County of San Francisco

(N.D. Cal. 1990) 748 F.Supp. 1416, *aff'd in part
and revs'd in part sub nom Davis v. City and County
of San Francisco* (9th Cir. 1992) 976 F.2d 1536,
modified on rehearing (9th Cir. 1993) 984 F.2d 345

United States v. City of San Diego

(S.D.Cal. 1998) 18 F.Supp.2d 1090

Vasquez v. State of California

(2008) 45 Cal.4th 243 (amicus)

Velez v. Wynne

(9th Cir. 2007) 2007 U.S. App. LEXIS 2194

REFERENCES

Furnished upon request.

September 2014

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10/1/2011

EXHIBIT B

LAFFEY MATRIX

- History
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Year	Adjustmt Factor**	Paralegal/ Law Clerk	Years Out of Law School *				
			1-3	4-7	8-10	11-19	20 +
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., McDowell v. District of Columbia, Civ. A. No. 00-594 (RCL), LEXSEE 2001 U.S. Dist. LEXIS 8114 (D.D.C. June 4, 2001); Salazar v. Dist. of Col., 123 F.Supp.2d 8 (D.D.C. 2000).

* "Years Out of Law School" is calculated from June 1 of each year, when most law students graduate. "1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). "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 "1-3" from June 1, 1996 until May 31, 1999, would move into tier "4-7" on June 1, 1999, and tier "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 C

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

The National Law Journal

January 13, 2014 Monday

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**THE NATIONAL
LAW JOURNAL**

Section: NLJ'S *BILLING SURVEY*; Pg. 1; Vol. 36; No. 20

Length: 1860 words

Byline: KAREN SLOAN

Body

As recently as five years ago, law partners charging \$1,000 an hour were outliers. Today, four-figure hourly rates for indemand partners at the most prestigious firms don't raise eyebrows-and a few top earners are closing in on \$2,000 an hour.

These rate increases come despite hand-wringing over price pressures from clients amid a tough economy. But everrising standard billing rates also obscure the growing practice of discounts, falling collection rates, and slow march toward alternative fee arrangements.

Nearly 20 percent of the firms included in The National Law Journal's annual survey of large law firm billing rates this year had at least one partner charging more than \$1,000 an hour. Gibson, Dunn & Crutcher partner Theodore Olson had the highest rate recorded in our survey, billing \$1,800 per hour while representing mobile satellite service provider LightSquared Inc. in Chapter 11 proceedings.

Of course, few law firm partners claim Olson's star power. His rate in that case is nearly the twice the \$980 per hour average charged by Gibson Dunn partners and three times the average \$604 hourly rate among partners at NLJ 350 firms. Gibson Dunn chairman and managing partner Ken Doran said Olson's rate is "substantially" above that of other partners at the firm, and that the firm's standard rates are in line with its peers.

"While the majority of Ted Olson's work is done under alternative billing arrangements, his hourly rate reflects his stature in the legal community, the high demand for his services and the unique value that he offers to clients given his extraordinary experience as a former solicitor general of the United States who has argued more than 60 cases before the U.S. Supreme Court and has counseled several presidents," Doran said.

In reviewing billing data this year, we took a new approach, asking each firm on the NLJ 350-our survey of the nation's 350 largest firms by attorney headcount-to provide their highest, lowest and average billing rates for associates and partners. We supplemented those data through public records. All together, this year's survey includes information for 159 of the country's largest law firms and reflects billing rates as of October.

The figures show that, even in a down economy, hiring a large law firm remains a pricey prospect. The median among the highest partner billing rates reported at each firm is \$775 an hour, while the median low partner rate is \$405. For associates, the median high stands at \$510 and the low at \$235. The average associate rate is \$370.

Multiple industry studies show that law firm billing rates continued to climb during 2013 despite efforts by corporate counsel to rein them in. TyMetrix's 2013 Real Rate Report Snapshot found that the average law firm billing rate increased by 4.8 percent compared with 2012. Similarly, the Center for the Study of the Legal Profession at the Georgetown University Law Center and Thomson Reuters Peer Monitor found that law firms increased their rates by an average 3.5 percent during 2013.

Richard Pearl

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

Of course, rates charged by firms on paper don't necessarily reflect what clients actually pay. Billing realization rates-which reflect the percentage of work billed at firms' standard rates- have fallen from 89 percent in 2010 to nearly 87 percent in 2013 on average, according to the Georgetown study. When accounting for billed hours actually collected by firms, the realization rate falls to 83.5 percent.

"What this means, of course, is that- on average-law firms are collecting only 83.5 cents for every \$1.00 of standard time they record," the Georgetown report reads. "To understand the full impact, one need only consider that at the end of 2007, the collected realization rate was at the 92 percent level."

In other words, law firms set rates with the understanding that they aren't likely to collect the full amount, said Mark Medice, who oversees the Peer Monitor Index. That index gauges the strength of the legal market according to economic indicators including demand for legal services, productivity, rates and expenses. "Firms start out with the idea of, 'I want to achieve a certain rate, but it's likely that my client will ask for discounts whether or not I increase my rate,'" Medice said.

Indeed, firms bill nearly all hourly work at discounts ranging from 5 percent to 20 percent off standard rates, said Peter Zeughauser, a consultant with the Zeughauser Group. Discounts can run as high as 50 percent for matters billed under a hybrid system, wherein a law firm can earn a premium for keeping costs under a set level or for obtaining a certain outcome, he added. "Most firms have gone to a two-tier system, with what is essentially an aspirational rate that they occasionally get and a lower rate that they actually budget for," he said.

Most of the discounting happens at the front end, when firms and clients negotiate rates, Medice said. But additional discounting happens at the billing and collections stages. Handling alternative fee arrangements and discounts has become so complex that more than half of the law firms on the Am Law 100-NLJ affiliate The American Lawyer's ranking of firms by gross revenue-have created new positions for pricing directors, Zeughauser said.

THE ROLE OF GEOGRAPHY

Unsurprisingly, rates vary by location. Firms with their largest office in New York had the highest average partner and associate billing rates, at \$882 and \$520, respectively. Similarly, TyMetrix has reported that more than 25 percent of partners at large New York firms charge \$1,000 per hour or more for contracts and commercial work.

Washington was the next priciest city on our survey, with partners charging an average \$748 and associates \$429. Partners charge an average \$691 in Chicago and associates \$427. In Los Angeles, partners charge an average \$665 while the average associate rate is \$401.

Pricing also depends heavily on practice area, Zeughauser and Medice said. Bet-the-company patent litigation and white-collar litigation largely remain at premium prices, while practices including labor and employment have come under huge pressure to reduce prices.

"If there was a way for law firms to hold rates, they would do it. They recognize how sensitive clients are to price increases," Zeughauser said. But declining profit margins-due in part to higher technology costs and the expensive lateral hiring market-mean that firms simply lack the option to keep rates flat, he said.

BILLING SURVEY METHODOLOGY

The National Law Journal's survey of billing rates of the largest U.S. law firms provides the high, low and average rates for partners and associates.

The NLJ asked respondents to its annual survey of the nation's largest law firms (the NLJ 350) to provide a range of hourly billing rates for partners and associates as of October 2013.

For firms that did not supply data to us, in many cases we were able to supplement billing-rate data derived from public records.

In total, we have rates for 159 of the nation's 350 largest firms.

Richard Pearl

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

Rates data include averages, highs and low rates for partners and associates. Information also includes the average full-time equivalent (FTE) attorneys at the firm and the city of the firm's principal or largest office.

We used these data to calculate averages for the nation as a whole and for selected cities.

Billing Rates at the Country's Priciest Law Firms

Here are the 50 firms that charge the highest average hourly rates for partners.

Billing Rates at the Country's Priciest Law Firms

FIRM NAME	LARGEST U.S. OFFICE*	AVERAGE FULL-TIME EQUIVALENT ATTORNEYS*	PARTNER ASSOCIATE		AVERAGE		HIGH LOW	
			HOURLY RATES	HOURLY RATES	HIGH	LOW	HIGH	LOW
Debevoise & Plimpton	New York	615	\$1,055	\$1,075	\$955	\$490	\$760	\$120
Paul, Weiss, Rifkind, Wharton & Garrison	New York	803	\$1,040	\$1,120	\$760	\$600	\$760	\$250
Skadden, Arps, Slate, Meagher & Flom	New York	1,735	\$1,035	\$1,150	\$845	\$620	\$845	\$340
Fried, Frank, Harris, Shriver & Jacobson	New York	476	\$1,000	\$1,100	\$930	\$595	\$760	\$375
Latham & Watkins	New York	2,033	\$990	\$1,110	\$895	\$605	\$725	\$465
Gibson, Dunn & Crutcher	New York	1,086	\$980	\$1,800	\$765	\$590	\$930	\$175
Davis Polk & Wardwell	New York	787	\$975	\$985	\$850	\$615	\$975	\$130
Willkie Parr & Gallagher	New York	540	\$950	\$1,090	\$790	\$580	\$790	\$350
Cadwalader, Wickersham & Taft	New York	435	\$930	\$1,050	\$800	\$605	\$750	\$395
Weil, Gotshal & Manges	New York	1,201	\$930	\$1,075	\$625	\$600	\$790	\$300
Quinn Emanuel Urquhart & Sullivan	New York	697	\$915	\$1,075	\$810	\$410	\$675	\$320
Wilmer Cutler Pickering Hale and Dorr	Washington	961	\$905	\$1,250	\$735	\$290	\$695	\$75
Dechert	New York	803	\$900	\$1,095	\$670	\$530	\$735	\$395
Andrews Kurth	Houston	348	\$890	\$1,090	\$745	\$528	\$785	\$265
Hughes Hubbard & Reed	New York	344	\$890	\$995	\$725	\$555	\$675	\$365
Irell & Manella	Los Angeles	164	\$890	\$975	\$800	\$535	\$750	\$395
Proskauer Rose	New York	746	\$880	\$950	\$725	\$465	\$675	\$295
White & Case	New York	1,900	\$875	\$1,050	\$700	\$525	\$1,050	\$220

Richard Pearl

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

FIRM NAME	LARGEST AVERAGE		PARTNER ASSOCIATE							
	U.S. OFFICE*	FULL-TIME EQUIVALENT ATTORNEYS*	HOURLY RATES	HOURLY RATES	AVERAGE	HIGH	LOW	AVERAGE	HIGH	LOW
Morrison & Foerster	San Francisco	1,010	\$865	\$1,195	\$595	\$525	\$725	\$230		
Pillsbury Winthrop Shaw Pittman	Washington	609	\$865	\$1,070	\$615	\$520	\$860	\$375		
Kaye Scholer	New York	414	\$860	\$1,080	\$715	\$510	\$680	\$320		
Kramer Levin Naftalis & Frankel	New York	320	\$845	\$1,025	\$740	\$590	\$750	\$400		
Hogan Lovells	Washington	2,280	\$835	\$1,000	\$705	-	-	-		
Kasowitz, Benson, Torres & Friedman	New York	365	\$835	\$1,195	\$600	\$340	\$625	\$200		
Kirkland & Ellis	Chicago	1,517	\$825	\$995	\$590	\$540	\$715	\$235		
Cooley	Palo Alto	632	\$820	\$990	\$660	\$525	\$630	\$160		
Arnold & Porter	Washington	748	\$815	\$950	\$670	\$500	\$610	\$345		
Paul Hastings	New York	899	\$815	\$900	\$750	\$540	\$755	\$335		
Curtis, Mallet-Prevost, Colt & Mosle	New York	322	\$800	\$860	\$730	\$480	\$785	\$345		
Winston & Strawn	Chicago	842	\$800	\$995	\$650	\$520	\$590	\$425		
Bingham McCutchen	Boston	900	\$795	\$1,080	\$220	\$450	\$605	\$185		
Akin Gump Strauss Hauer & Feld	Washington	806	\$785	\$1,220	\$615	\$525	\$660	\$365		
Covington & Burling	Washington	738	\$780	\$890	\$605	\$415	\$565	\$320		
King & Spalding	Atlanta	838	\$775	\$995	\$545	\$460	\$735	\$125		
Norton Rose Fulbright	N/A**	N/A**	\$775	\$900	\$525	\$400	\$515	\$300		
DLA Piper	New York	4,036	\$765	\$1,025	\$450	\$510	\$750	\$250		
Bracewell & Giuliani	Houston	432	\$760	\$1,125	\$575	\$440	\$700	\$275		
Baker & McKenzie	Chicago	4,004	\$755	\$1,130	\$260	\$395	\$925	\$100		
Dickstein Shapiro	Washington	308	\$750	\$1,250	\$590	\$475	\$585	\$310		
Jenner & Block	Chicago	432	\$745	\$925	\$565	\$465	\$550	\$380		
Jones Day	New York	2,363	\$745	\$975	\$445	\$435	\$775	\$205		
Manatt, Phelps & Phillips	Los Angeles	325	\$740	\$795	\$640	-	-	-		
Seward & Kissel	New York	152	\$735	\$850	\$625	\$400	\$600	\$290		
O'Melveny & Myers	Los Angeles	738	\$715	\$950	\$615	-	-	-		
McDermott Will & Emery	Chicago	1,024	\$710	\$835	\$525	-	-	-		
Reed Smith	Pittsburgh	1,468	\$710	\$945	\$545	\$420	\$530	\$295		
Dentons	N/A**	N/A**	\$700	\$1,050	\$345	\$425	\$685	\$210		
Jeffer Mangels	Los Angeles	126	\$690	\$875	\$560	-	-	-		
Buiter & Mitchell Sheppard, Mullin,	Los Angeles	521	\$685	\$875	\$490	\$415	\$535	\$275		

Richard Pearl

\$1,000 Per Hour Isn't Rare Anymore; Nominal billing levels rise, but discounts ease blow.

FIRM NAME	LARGEST AVERAGE		PARTNER ASSOCIATE		AVERAGE HIGH		LOW AVERAGE HIGH		LOW
	U.S. OFFICE*	FULL-TIME EQUIVALENT ATTORNEYS*	HOURLY RATES	HOURLY RATES					
Richter & Hampton	Angeles								
Alston & Bird	Atlanta	805	\$675	\$875	\$495	\$425	\$575	\$280	

THE FOUR-FIGURE CLUB

THE FOUR-FIGURE CLUB

These 10 firms posted the highest partner billing rates.

Gibson, Dunn & Crutcher	\$1,800
Dickstein Shapiro	\$1,250
Wilmer Cutler Pickering Hale and Dorr	\$1,250
Akin Gump Strauss Hauer & Feld	\$1,220
Kasowitz, Benson, Torres & Friedman	\$1,195
Morrison & Foerster	\$1,195
Skadden, Arps, Slate, Meagher & Flom	\$1,150
Baker & McKenzie	\$1,130
Bracewell & Giuliani	\$1,125
Paul, Weiss, Rifkind, Wharton & Garrison	\$1,120

Contact Karen Sloan at ksloan@alm.com

SATELLITE TECHNOLOGY (67%); SUPREME COURTS (63%)

Classification

Company: GIBSON DUNN & CRUTCHER LLP (93%); LIGHTSQUARED INC (83%)

Language: ENGLISH

Industry: NAICS541110 OFFICES OF LAWYERS (93%); SIC8111 LEGAL SERVICES (93%); NAICS517410 SATELLITE TELECOMMUNICATIONS (83%); NAICS334220 RADIO & TELEVISION BROADCASTING & WIRELESS COMMUNICATIONS EQUIPMENT MANUFACTURING (83%)

Publication-Type: Newspaper

Geographic: UNITED STATES (92%)

Subject: POLLS & SURVEYS (90%); LEGAL SERVICES (90%); MAJOR US LAW FIRMS (90%); LAW FIRM BILLABLE RATES (90%); LAWYERS (89%); LAW PRACTICE (89%); LAW FIRM BILLABLE HOURS (78%); ECONOMIC CONDITIONS (76%); CORPORATE COUNSEL (73%); US CHAPTER 11 BANKRUPTCY (73%); LAW COURTS & TRIBUNALS (68%);

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The Firms

April 16, 2012 5:20 PM

When It Comes to Billing, Latest Rate Report Shows the Rich Keep Getting Richer

Posted by Sara Randazzo

Hourly rates just keep rising—and the best-paid lawyers are raising their rates faster than everyone else.

Those are two of the key findings contained in the [2012 Real Rate Report](#), an analysis of \$7.6 billion in legal bills paid by corporations over a five-year period ending in December 2011. The report, released Monday, is the second such collaboration between TyMetrix, a company that manages and audits

legal bills for corporate legal departments, and the Corporate Executive Board.

Many of the new rate report's findings echo those contained in the 2010 study, including the fact that rates keep going up, almost across the board, and that the cost of a given matter can vary dramatically depending on a law firm's size and location and its relationship with a particular client.

At the same time, this year's study shows that the legal sector is becoming increasingly bifurcated, with top firms raising rates faster than those at the bottom of the market and large firms charging a premium price based purely on their size.

"What it's really showing is that there's an increased premium being paid for experience and expertise," says Julie Peck, vice president of strategy and market development at TyMetrix. "Some parts of the lawyer market are able to raise rates much more quickly, and are more impervious to economic forces than others."

To compile the current rate report, TyMetrix received permission from its clients to examine legal fees billed to 62 companies across 17 industries including energy, finance, retail, technology, insurance, and health care. The bills, which represent the amount actually paid by the companies in question rather than the amount initially charged, came from more than 4,000 firms in 84 metropolitan areas around the country. Every firm on the 2011 Am Law 100 is represented in the data.

The report's key data points include:

A Widening Gap: Hourly rates charged by lawyers in the legal sector's upper echelon grew faster between 2009 and 2011 than those charged by lawyers toiling on the lower rungs. Particularly striking was the jump in associate rates billed by those falling in the report's top quartile: 18 percent on average, to just over \$600 per hour. Rates billed by top quartile partners, meanwhile, rose 8 percent, to just under \$900 per hour. In the bottom quartile, associate rates rose 4 percent and partner rates rose 3 percent during the same period.

The Recession's (Minor) Toll: Even amid the economic downturn, the cost of an hour of a lawyer's time continued to rise faster than key measures of inflation. That said, the legal industry wasn't completely immune to the broader economy's slowdown. After rising 8.2 percent between 2007 and 2008, hourly rates rose just 2.3 percent in 2009. Law firms bounced back a bit last year, with rates climbing 5.1 percent, to an average of \$530 an hour.

Location Counts: Not surprisingly, lawyers working in major metropolitan areas—where, as the rate report notes, rents are typically higher—are the priciest. An address in Boston, Chicago, Los Angeles, San Francisco, or Washington, D.C., alone adds about \$161 to the hourly rate charged by an individual lawyer. Those six cities and Baltimore, Houston, Philadelphia, and San Jose are the ten U.S. markets with the highest hourly rates. With an average partner rate topping \$700 per hour and average associate rate of more than \$450 per hour, New York is the most expensive market in the country. The least expensive? Riverside, California, where the average partner bills at under \$250 per hour and associates bill at just over \$300 an hour.

In the Minority: A small group of lawyers—12 percent—bucked the trend toward higher fees and actually lowered rates between 2009 to 2011—and 3 percent trimmed rates by \$50 or more per hour. (Most of those in the rate-cutting camp were based outside the big six markets identified above.) At the other end of the spectrum, 52 percent of lawyers increased rates by between \$25 and \$200 or more per hour. Another 18 percent increased rates by less than \$25 per hour, and the final 18 percent held rates steady.

First-Year Blues: Even before the recession hit, clients balked at paying for what they considered on-the-job training for first-year associates. The latest rate report is likely to reinforce that reluctance, given its finding that using entry-level lawyers adds as much as 20 percent to the cost of a legal matter. The report offers evidence that firms may be accommodating clients on this front: The percentage of bills attributed to entry-level associates dropped from 7 percent in 2009 to 2.9 percent last year.

Ties That Bind: The more work one firm handles for a client—and the longer the client relationship extends—the higher the average rate the firm charges. For companies that paid one firm \$10 million or more in a single year, the average hourly rate paid was \$553 in 2011. By comparison, clients that limited their spending on an individual firm to \$500,000 paid that firm an average of \$319 per hour.

Four-Digit Frontier: Data has consistently shown that many lawyers hesitate to charge more than \$1,000 an hour, and in 2011 just under 3 percent of the lawyers covered by the rate report had broken that barrier. Of those, the vast majority were working in the six main legal markets identified above and 60 percent of the time, they billed in increments of one hour or less.

Playing Favorites: Across all practice areas, 90 percent of lawyers charged different clients different rates for similar types of work. (The figure for mergers and acquisitions lawyers was 100 percent.) The differences from client to client can be extreme, and were even more pronounced in the current report than in the 2010 edition. Rates charged by intellectual property specialists, for instance, had a median variance of 23.1 percent, while lawyers doing commercial and contract work showed a 18.7 percent median difference.

Who's Doing What? A closer look at law firm bills for work performed on litigation and intellectual property assignments shows that the kind of timekeeper billing on a matter varies by practice type. On patent matters, the report shows, 47 percent of hours billed on average are attributed to paralegals, and 37 percent by partners. By comparison, paralegals account for just 8 percent of the work done on labor and employment litigation hours, while partners handle 45 percent.

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The Big Law law firm is a dinosaur - a dying species. This kind of self-interested greed will ultimately kill the beast.

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On Sale: The \$1,150-Per-Hour Lawyer

Lawyer Fees Keep Growing, But Don't Believe Them. Clients Are Demanding, and Getting, Discounts

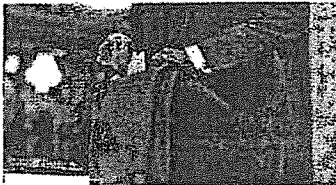
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By JENNIFER SMITH

Top partners at leading U.S. law firms are charging more than ever before, yet those hourly rates aren't all they appear to be.



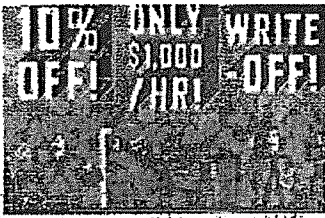
Top partners at leading U.S. law firms are charging more than ever — routinely \$1,150 or more an hour — but after discounts and write-offs the nosebleed rates aren't all they appear to be. Jennifer Smith reports. Photo: Getty Images.

Having blown past the once-shocking price tag of \$1,000 an hour, some sought-after deal, tax and trial lawyers are commanding hourly fees of \$1,150 or more, according to an analysis of billing rates compiled from public filings.

But, as law firms boost their standard rates, many are softening the blow with widespread discounts and write-offs, meaning fewer clients are paying full freight. As a result, law firms on

average are actually collecting fewer cents on the dollar, compared with their standard, or "rack," rates, than they have in years.

Think of hourly fees "as the equivalent of a sticker on the car at a dealership," said legal consultant Ward Bower, a principal at Allman Weil Inc. "It's the beginning of a negotiation....Law firms think they are setting the rates, but clients are the ones determining what they're going to pay."



the firm's database billed that level in the first quarter of 2013, up from 158 a year earlier.

Star lawyers still can fetch a premium, and some of them won't budge on price. The number of partners billing \$1,150-plus an hour has more than doubled since this time last year, according to Valeo Partners, a consulting firm that maintains a database of legal rates pulled from court filings and other publicly disclosed information. More than 320 lawyers in

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That glided circle includes tax experts such as Christopher Roman of King & Spalding LLP and Todd Maynes of Kirkland & Ellis LLP, intellectual-property partner Nader A. Mousavi of Sullivan & Cromwell LLP, and deal lawyers such as Kenneth M. Schneider of Paul, Weiss, Rifkind, Wharton & Garrison LLP.

Those lawyers and their firms either declined to comment or didn't reply to requests for comment.

When corporate legal departments need a trusted hand to fend off a hostile takeover or win a critical court battle, few general counsels will nitpick over whether a key lawyer is charging \$900 an hour or \$1,150 an hour. But for legal matters where their future isn't on the line, companies are pushing for—and winning—significant price breaks.

"We almost always negotiate rates down from the rack rates," said Randal S. Milch, general counsel for phone giant Verizon Communications Inc. [VZ +0.29%] The result, he said, is a "not-insignificant discount."

For the bread-and-butter work that many big law firms rely on, haggling has become the norm. Many clients grew accustomed to pushing back on price during the recession and continue to demand discounts.

Some companies insist on budgets for their legal work. If a firm billing by the hour exceeds a set cap, lawyers may have to write off some of that time.

Other clients refuse to work with firms who don't discount, lopping anywhere from 10% to 30% off their standard rates. Some may grant rate increases to individual partners or associates they deem worthy. Another tactic: locking in prices with tailored multiyear agreements with formulas governing whether clients grant or refuse a requested rate increase.

In practical terms, that means the gap between law firms' sticker prices and the amount of money they actually bill and collect from their clients is wider than it has been in years.

According to data collected by Thomson Reuters Peer Monitor, big law firms raised their average standard rate by about 9.3% over the past three years. But they weren't able to keep up on the collection side, where the increase over the same period was just 6%. Firms that used to collect on average about 92 cents for every dollar of standard time their lawyers worked in 2007, before the economic downturn, now are getting less than 85 cents. "That's a historic low," said James Jones, a senior fellow at the Center for the Study of the Legal Profession at Georgetown Law.

To be sure, things have certainly picked up some since the recession, when some clients flat-out refused to pay rate increases.

In the first quarter of 2013, the 50 top-grossing U.S. law firms boosted their partner rates by as much as 5.7%, billing on average between \$879 and \$882 an hour, according to Valeo Partners. Rates for junior lawyers, whose labors have long been a profit engine for major law firms, jumped even more.

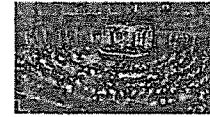
While some clients resisted using associate lawyers during the downturn, refusing to pay hundreds of dollars an hour for inexperienced first- or second-year attorneys, the largest U.S. law firms have managed to send the needle back up again. This year, for the first time, the average rate for associates with one to four years of experience rose to \$500 an hour, according to Valeo.

The increases continue the upward trend of 2012, when legal fees in general rose 4.8% and associate billing rates rose by 7.4%, according to a coming report by TyMetrix Legal Analytics, a unit of Wolters Kluwer, [WKL.AE +0.95%] and CEB, a research and advisory-services company. Those numbers are based on legal-spending data from more than 17,000 law firms.

2 Steps to Better Foot Health



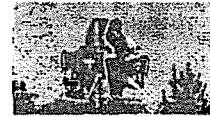
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More than a dozen leaders at major law firms declined to discuss rate increases on the record, though some said privately that the increase in associate rates could be caused in part by step increases as junior lawyers gain in seniority.

Joe Sims, an antitrust partner at Jones Day and former member of the firm's partnership committee, said clients don't mind paying for associates, as long as they feel they are getting their money's worth.

Sophisticated clients, he said, tend to focus on the overall price tag for legal work, not on individual rates. "They are more concerned about how many people are working on the project and the total cost of the project," Mr. Sims said. "Clients want value no matter who is on the job."

While a handful of elite lawyers have successfully staked out the high end—the deal teams at Wachtell, Lipton, Rosen & Katz, for example—legal experts say that client pressure to control legal spending means most law firms must be considerably more flexible on price.

"There will always be some 'bet the company' problem where a client will not quibble about rates," said Mr. Jones, the Georgetown fellow. "Unfortunately, from the law firms' standpoint, that represents a small percentage of the work."

Write to Jennifer Smith at jennifer.smith@wsj.com

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Exhibit 4

Exhibit 5

SUMMARY OF TIME AND COSTS

Valerie Mae Luna v. ACCU Bio-Chem Laboratories
Los Angeles County Superior Court, Case Number 22STCV35014

Total Attorneys' Hours: 155
Total Lodestar Fees: \$106,350
Total Litigation Expenses: \$12,010.66

As of 4/11/24

ATTORNEYS	YEAR ADMITTED	HOURS	HOURLY RATE	TOTAL
MARA LAW FIRM, PC				
David Mara, Esq.	2004	89	\$750	\$66,750
Jill Vecchi, Esq.	2014	66	\$600	\$39,600
MARA LAW FIRM, PC TOTAL:				\$106,350

LITIGATION EXPENSES	
MARA LAW FIRM, PC	\$12,010.66
TOTAL COSTS	\$12,010.66

Valerie Mae Luna v. ACCU Bio-Chem Laboratories
Los Angeles County Superior Court, Case No. 22STCV35014

Costs Summary

Attorney Service:	\$	845.32
Court Fees:	\$	3,706.83
Mediation:	\$	7,450.00
Postage:	\$	8.51
TOTAL COSTS	\$	<u>12,010.66</u>